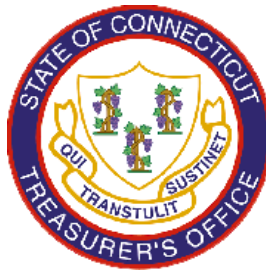


STATE OF CONNECTICUT

2014



ANNUAL REPORT OF THE TREASURER
For the fiscal year ended June 30, 2014

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

2014



ANNUAL REPORT OF THE TREASURER
For the fiscal year ended June 30, 2014



TABLE OF CONTENTS

ANNUAL REPORT OF THE TREASURER

Introduction

TREASURER'S LETTER TO THE GOVERNOR	7
OFFICE OF THE TREASURER OVERVIEW	10

Division Operations

PENSION FUNDS MANAGEMENT DIVISION

Investment Advisory Council Chair's Letter to the Governor	13
Investment Advisory Council	15
Division Overview	16
The Year in Review	20
Total Fund Performance	20
2014 Management Initiatives	22
Corporate Governance.....	22
Asset Recovery and Loss Prevention	24
Combined Investment Funds Total Return Analysis	27
Liquidity Fund	28
Alternative Investment Fund	31
Mutual Equity Fund	34
Core Fixed Income Fund	38
Inflation Linked Bond Fund	43
Emerging Market Debt Fund	47
High Yield Debt Fund	51
Developed Market International Stock Fund	55
Emerging Market International Stock Fund.....	59
Real Estate Fund	63
Commercial Mortgage Fund	68
Private Investment Fund	70

DEBT MANAGEMENT DIVISION

Division Overview	75
The Year in Review	75

CASH MANAGEMENT DIVISION

Division Overview	80
The Year in Review	81
Short-Term Investment Fund	83

UNCLAIMED PROPERTY DIVISION

Division Overview	87
The Year in Review	87

SECOND INJURY FUND DIVISION

Division Overview	89
The Year in Review	89
Second Injury Fund Advisory Board.....	90

CONNECTICUT HIGHER EDUCATION TRUST

Trust Overview	91
The Year in Review	92
CHET Advisory Committee	93

TABLE OF CONTENTS

Financial Statements

CERTIFICATION BY AUDITORS OF PUBLIC ACCOUNTS AND STATE COMPTROLLER	F-1
MANAGEMENT'S DISCUSSION AND ANALYSIS	F-4
MANAGEMENT'S REPORT	F-13
COMBINED INVESTMENT FUNDS	
Statement of Net Position.....	F-14
Statement of Changes in Net Position	F-15
Notes to Financial Statements	F-17
Financial Highlights	F-36
SHORT-TERM INVESTMENT FUND	
Statement of Net Position.....	F-38
Statement of Changes in Net Position	F-39
Notes to Financial Statements	F-40
List of Investments	F-45
Schedule of Annual Rates of Return	F-49
Schedule of Quarterly Rates of Return	F-50
SHORT-TERM PLUS INVESTMENT FUND	
Statement of Net Position.....	F-51
Statement of Changes in Net Position	F-52
Notes to Financial Statements	F-53
Schedule of Quarterly Rates of Return	F-55
CIVIL LIST PENSION AND TRUST FUNDS	
Schedule of Cash and Investments, Balances and Activity	F-56
NON-CIVIL LIST TRUST FUNDS	
Statement of Net Position (at Fair Value)	F-57
Statement of Revenues and Expenditures.....	F-57
Statement of Changes in Net Position	F-57
Statement of Cash Flows	F-58
Statement of Net Position (at Cost).....	F-59
Notes to Financial Statements	F-60
SECOND INJURY FUND	
Statement of Net Position.....	F-61
Statement of Revenues, Expenses and Changes in Net Position	F-62
Statement of Cash Flows	F-63
Notes to Financial Statements	F-64
CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN	
Independent Auditors' Report.....	F-68
Management's Discussion and Analysis	F-70
Statement of Fiduciary Net Position	F-72
Statement of Changes in Fiduciary Net Position.....	F-73
Notes to Financial Statements	F-74
Financial Highlights	F-78

TABLE OF CONTENTS

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

Independent Auditors' Report.....	F-80
Management's Discussion and Analysis	F-82
Statement of Fiduciary Net Position.....	F-84
Statement of Changes in Fiduciary Net Position.....	F-85
Notes to Financial Statements	F-86
Financial Highlights	F-91

Supplemental Information

PENSION FUNDS MANAGEMENT DIVISION - COMBINED INVESTMENT FUNDS

Total Net Position Value by Pension Plans and Trusts.....	S-1
Schedule of Net Position by Investment Fund	S-2
Schedule of Changes in Net Position by Investment Fund	S-4
Statement of Investment Activity by Pension Plan	S-8
Statement of Investment Activity by Trust	S-12
Summary of Operations	S-18
Pension and Trust Funds Balances.....	S-18
Investment Summary	S-19
Top Ten Holdings by Fund.....	S-22
Schedule of Expenses in Excess of \$5,000	S-26
List of Investment Advisors and Net Position Under Management	S-29
Schedule of Brokerage Commissions	S-33
Glossary of Investment Terms.....	S-38
Understanding Investment Performance.....	S-44

DEBT MANAGEMENT DIVISION

Changes in Debt Outstanding - Statutory Basis.....	S-46
Retirement Schedule of In-Substance Defeased Debt Outstanding - Statutory Basis	S-47
Schedule of Expenses in Excess of \$5,000	S-48

CASH MANAGEMENT DIVISION

Cash Management Division Activity Statement.....	S-49
Civil List Funds Summary Schedule of Cash Receipts and Disbursements	S-50
Civil List Funds Summary Schedule of Cash and Investments.....	S-51
Civil List Funds Interest Credit Program.....	S-52
Schedule of Expenses in Excess of \$5,000	S-55

UNCLAIMED PROPERTY DIVISION

Schedule of Expenses in Excess of \$5,000	S-56
Five Year Selected Financial Information.....	S-57
Summary of Gross Receipts	S-57

SECOND INJURY FUND DIVISION

Schedule of Expenses in Excess of \$5,000	S-58
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EXECUTIVE OFFICE

Ex-Officio Responsibilities of the State Treasurer	S-59
Total Administration Expenditures	S-62
Schedule of Expenses in Excess of \$5,000	S-63

TABLE OF CONTENTS

Statutory Appendix

DEBT MANAGEMENT DIVISION

Schedule of Debt Outstanding - Statutory Basis	O-1
Schedule of Authorized and Issued Debt Outstanding.....	O-7

CASH MANAGEMENT DIVISION

Civil List Funds Schedule of Investments.....	O-12
Securities Held in Trust for Policyholders.....	O-15
Unemployment Compensation Fund.....	O-18

Introduction





DENISE L. NAPIER
TREASURER

State of Connecticut
Office of the Treasurer

CHRISTINE SHAW
DEPUTY TREASURER

December 31, 2014

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, 2014, 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 Debt Management, Second Injury Fund and Unclaimed Property are presented.

The CRPTF's performance for Fiscal Year 2014 added \$4.1 billion of market value to pension assets. After net withdrawals of \$650 million (including benefit payments, fees, and expenses), the CRPTF ended the fiscal year with assets of \$29.4 billion -- a \$3.5 billion net increase from the previous year. The two largest retirement plans, the Teachers' Retirement Fund and the State Employees' Retirement Fund, earned 15.67 percent and 15.62 percent 1-year returns and 11.79 percent and 11.90 percent 5-year returns, respectively.

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 \$14.8 billion in pension benefits, received \$8.0 billion in contributions, and earned \$16.0 billion in investment income (net of expenses). Total pension assets now stand at \$29.4 billion, and this growth occurred during periods of significant market volatility and uncertainty and, for some of that period, with less than full funding of the actuarially recommended state contribution.

During Fiscal Year 2014, the Office of the Treasurer achieved a series of accomplishments and key milestones that inured to the benefit of state residents and businesses, including the following:

- **The Treasury's Short-Term Investment Fund (STIF) earned an additional \$5.6 million for Connecticut's agencies, authorities, municipalities and their taxpayers.** STIF's performance exceeded its primary benchmark by 12 basis points. During my administration, STIF's superior performance has earned government investors \$192 million in additional investment income. Moreover, Standard & Poor's reaffirmed STIF's AAAM rating, the highest rating available.
- **Connecticut taxpayers will save \$94.8 million over the next 11 years from refinancing \$822 million of outstanding state debt in Fiscal Year 2014.** Total savings to taxpayers of all debt refundings and defeasances during my administration exceeded \$941 million as of June 30, 2014.

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An Equal Opportunity Employer

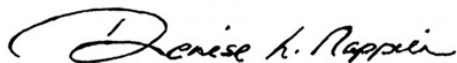
- **The Connecticut Higher Education Trust (CHET), the State's 529 college savings program, continued its steady growth, surpassing \$2.5 billion in assets under management and over 110,000 accounts in two trust plans.** This growth of CHET Direct (marketed directly to individuals) and CHET Advisor (available through financial advisors) compares with just over 4,000 accounts and \$18 million in assets under management when I took office in 1999. Since inception of CHET, more than \$855 million in qualified withdrawals have been made to fund the college expenses of roughly 27,600 students attending nearly every public and private college in Connecticut and several out-of-state schools.
- **Unclaimed property amounting to approximately \$64 million was returned to 20,897 rightful owners.** For the same time period, receipts totaling over \$103 million were deposited into the State's General Fund.
- **For 16 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 \$986 million in savings – including \$109 million in projected savings for Fiscal Year 2015. In addition, since the beginning of my administration, unfunded liabilities for injured workers have declined 53 percent, from \$838 million to \$396 million as of June 30, 2014.
- **The Office of the Treasurer recovered \$1.4 million through class action lawsuits.** This is a continuation of a multi-faceted effort launched by the Office of the Treasurer in 2000 to prevent losses due to the malfeasance of others and, whenever possible, to recover lost assets. This initiative has included the negotiation of best practices contract terms, monitoring of contract obligations, the filing of claims, and managing Connecticut's fair share of securities litigation cases. A total of \$43.5 million has been recaptured since 2000 by closely monitoring and participating in class action settlements.
- **Through the Community Bank and Credit Union Investment Program, \$22 million was invested in Fiscal Year 2014 at an average interest rate of 0.16 percent.** The program, launched by the Office of the Treasurer in 2006, achieves competitive rates for state funds while also stimulating local economic growth through investments in certificates of deposit with Connecticut-based banks and credit unions with assets of less than \$500 million. Since the program's inception, the State has invested \$408.5 million with participating institutions at an average yield of 2.44 percent through June 30, 2014.
- **Through shareholder activism, the CRPTF advocated with companies in which it invests for improved corporate governance practices.** 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 2014, the Office of the Treasurer focused on key corporate governance issues, including, executive compensation, election of members to boards of directors, climate change, board diversity, and shareholder rights. Overall, the CRPTF engaged with more than forty portfolio companies, filed or co-filed twenty-two shareholder resolutions, and reached agreements with seven companies resulting in resolutions being withdrawn at those companies. Fifteen resolutions were voted on at company annual meetings. I also submitted comments to the Securities and Exchange Commission on corporate governance issues that may impact the CRPTF.
- **Institutional Investor magazine selected the CRPTF as winner in the category of Large Public Plan of the Year at its 12th annual Hedge Fund Industry Awards in June 2014.** The CRPTF won as public plan with greater than \$15 billion in assets that demonstrated excellence in absolute return investing in 2013. Connecticut's hedge fund portfolio stood at \$1.15 billion as of June 30, 2014 and returned 7.15 percent for Fiscal Year 2014, net of fees, outperforming its customized benchmark by 7.10 percent during Fiscal Year 2014, and by 4.40 percent since the program's inception.

2014 TREASURER'S LETTER

In closing, I extend my gratitude to the members of the Investment Advisory Council for their insight, financial acumen and commitment to serving the best interests of the 194,000 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 accomplishment.

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 utmost care. I acknowledge their professionalism with sincere appreciation, and trust that this Report will prove both informative and useful in providing an overview of the significant work that has been accomplished. In accordance with our practice of recent years, this Annual Report is available both in print and electronically via the Treasury's website, www.ott.ct.gov.

Sincerely,

A handwritten signature in cursive script that reads "Denise L. Nappier".

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 \$29.4 billion portfolio of pension assets, \$4.2 billion in total State and local short-term, and other investments, and \$2.6 billion of assets in the Connecticut Higher Education Trust. The Treasurer maintains an accurate account of all funds through sophisticated security measures and procedures.

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	

Additional information on responsibilities of each is provided on Supplemental pages S-59 to S-61.

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 in excess of \$29.4 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 194,000 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 \$16.2 billion, followed by the State Employees' Retirement Fund, with assets of \$10.5 billion, and the Municipal Employees' Retirement Fund with \$2.2 billion. 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 874 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 loan programs. As of June 30, 2014, \$20.5 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, 2014, the estimated liability for open claims totaled \$396 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 \$63.8 million in claims were paid for the fiscal year ended June 30, 2014.

2014 Annual Report Year at a Glance, as of June 30

COMBINED INVESTMENT FUNDS ⁽¹⁾

Investments in Securities at Fair Value	\$ 29,482,334,377
Net Position Held in Trust for Participants	\$ 29,427,931,166
Total Investment Returns for the Fiscal Year	\$ 4,006,950,623
Total Management Fees for the Fiscal Year	\$ 125,789,030
Total Number of Advisors	148
Increase in Total Advisors from Prior Year	10

(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	94,438
Direct Plan Net Position	\$ 2,292,112,816
Advisor Plan Number of Participant Accounts	16,224
Advisor Plan Net Position	\$ 275,193,449

DEBT MANAGEMENT

Total Debt Outstanding	\$ 20,542,108,740
General Obligation Debt included above	\$ 14,555,983,740
Total New Debt Issued During the Fiscal Year	\$ 4,041,735,000
General Obligation Debt Issued included above	\$ 2,996,950,000
Total Debt Retired and Defeased During the Fiscal Year	\$ 2,770,420,018
General Obligation Debt Retired and Defeased included above	\$ 2,150,375,018
Total Debt Service Paid on Outstanding Debt During the Fiscal Year	\$ 2,317,720,988
General Obligation Debt Service Paid included above	\$ 1,578,797,636

CASH MANAGEMENT

Total Cash Inflows During the Fiscal Year	\$ 98,065,681,116
Total Cash Outflows During the Fiscal Year	\$ 97,687,101,992

SHORT-TERM INVESTMENT FUND

Total Net Position of the Fund	\$ 4,211,333,999
One-Year Total Return	0.14%
Five-Year Compounded Annual Total Return	0.20%
Ten-Year Compounded Annual Total Return	1.87%
Weighted Average Maturity	40 days
Number of Participant Accounts	874

SECOND INJURY FUND

Number of Claims Settled During the Fiscal Year	222
Total Cost of Claims Settled and Paid	\$ 5,831,619
Second Injury Fund Estimated Unfunded Liability (expressed as reserves)	\$ 396,074,976
Number of Claims Outstanding	2,957

UNCLAIMED PROPERTY

Dollar Value of Gross Unclaimed Property Receipts	\$ 103,178,699
Dollar Value of Claims Paid	\$ 63,772,440
Number of Property Claims Paid	20,897

Division Overview





**State of Connecticut
Investment Advisory Council
Hartford**

December 10, 2014

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

Dear Governor Malloy:

As Chair of the Investment Advisory Council ("IAC"), I am pleased to report on the activities of the IAC for the fiscal year ended June 30, 2014.

During the 2014 fiscal year, the IAC considered many investment proposals put forth by State Treasurer Denise L. Nappier and rendered advice on a number of private market investments, including four (4) private investment partnerships totaling \$275 million. We also provided feedback on commitments to eight (8) real estate investment partnerships totaling \$730 million.

Additionally, the IAC offered comment and advice to Treasurer Nappier concerning the hiring of public market investment managers for the currency overlay investment accounts in the Developed Markets International Stock Fund, subsequent to a competitive search. Separately, also following a competitive search, the IAC provided comment and advice to the Treasurer concerning the provision of investment management services for the global treasury inflation protected securities account in the Inflation Linked Bond Fund.

Throughout the year, the IAC continued its practice of reviewing fund performance at each meeting and conducting extensive reviews of fund performance on a quarterly basis. In addition, the IAC reviewed reports regarding corporate governance activities, as well as updates of compliance with statutory investment restrictions.

There were also notable changes to the membership of the IAC over the course of Fiscal Year 2014. In September of 2013, I began my tenure as interim Chair following the resignation of Chairman Neil Budnick on August 31, 2013, and Steven Muench was appointed as a member of the IAC.

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 as well.

c/o 55 Elm Street, Hartford, Connecticut 06106-1773, Telephone: (860) 702-3000

INVESTMENT ADVISORY COUNCIL

We are proud of the contribution that the solid 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. The new, record high balance of the CRPTF provides even more capital with which to generate earnings and thus reduce costs for us all over the coming decades.

Sincerely,

A handwritten signature in cursive script that reads "Carol M. Thomas".

Carol M. Thomas, Interim Chair
Investment Advisory Council

c/o 55 Elm Street, Hartford, Connecticut 06106-1773, Telephone: (860) 702-3000

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 CGS 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 2014 include:

NEIL G. BUDNICK, Chairman, as appointed by the Governor; Managing Director, Channel Rock Partners
(served until September 1, 2013)

CAROL M. THOMAS, Interim Chairperson, as appointed by the Governor; Representative of State
Employees' unions; Retiree, Department of Developmental Services (served as Chairperson since
October 7, 2013)

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

2014 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 \$29.4 billion of investment assets for retirement plans serving approximately 194,000 state and municipal employees, teachers, retirees and survivorships, as well as trust funds that support academic programs, grants, and initiatives throughout the state.

Prudent investment management requires the proper safeguard of 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 state contributions, investment returns and the contribution requirements of eligible retirement plan participants. The spending requirements of the trust funds are met through the generation of investment income and capital gains with a focus on the preservation of capital.

The Combined Investment Funds (“CIF”) were 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 \$20.2 billion to approximately \$29.4 billion. The Teachers’ Retirement Fund (“TERF”), with approximately \$16.2 billion of assets under management at June 30, 2014, is the largest participating plan. The State Employees’ Retirement Fund (“SERF”) and the Connecticut Municipal Employees’ Retirement Fund (“CMERF”) have approximately \$10.5 billion and \$2.2 billion of assets, respectively. For the fiscal year ended June 30, 2014, 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 \$4.0 billion (See Figure 1-3).

CRPTF’s total investment in the CIF at fair value as of June 30, 2014 was:

INVESTMENT SUMMARY AT JUNE 30, 2014		
	Fair Value ⁽¹⁾	% of Total Fund Fair Value
Liquidity Fund (LF) ⁽²⁾	\$ 1,158,961,835	3.93%
Mutual Equity Fund (MEF)	7,055,012,881	23.93%
Developed Markets International Stock Fund (DMISF)	6,101,761,491	20.70%
Emerging Markets International Stock Fund (EMISF)	2,645,431,257	8.97%
Real Estate Fund (REF)	1,509,757,272	5.12%
Core Fixed Income Fund (CFIF)	2,573,846,130	8.73%
Inflation Linked Bond Fund (ILBF)	1,075,489,795	3.65%
Emerging Market Debt Fund (EMDF)	1,500,069,627	5.09%
High Yield Debt Fund (HYDF)	1,592,980,848	5.40%
Commercial Mortgage Fund (CMF)	67,609	0.00%
Alternative Investment Fund (AIF)	1,349,977,450	4.58%
Private Investment Fund (PIF)	2,918,978,182	9.90%
Total Fund	\$29,482,334,377	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”), the Pension Funds Management division (“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 2014, 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 recordkeeping 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, 2014, 148 external money and investment managers were employed by the Treasury to invest the pension and trust assets, an increase of 10 managers from June 30, 2013 (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 August 2012, the IAC approved the Treasurer’s adopted IPS, including the asset allocation plan, which governs the CRPTF investment portfolios and each of the CIFs. Subsequently, in 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, 2014, multiple asset classes were included in the IPS, including global public market equities and fixed income, as well as 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 55.2%. 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

PENSION FUNDS MANAGEMENT DIVISION

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, 2014, the MEF was approximately 84.37% invested in large-cap stocks, 8.20% in small/mid-cap stocks, 7.32% in all-cap and 0.11% in cash equivalents and other net assets. The MEF's ten largest holdings, aggregating 13.76% of Fund investments, included a variety of blue chip companies and were broadly diversified, with the largest holding of 2.65% 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 public companies by market capitalization. Given the overall efficiency of the domestic equity market, approximately 84% 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 widely 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 CIF 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 50% Hedged (MSCI EAFE IMI 50% Hedged). The DMISF is comprised of passive indexing, core developed markets and opportunistic strategies. As of June 30, 2014, the DMISF was approximately 85.57% invested in large-cap stocks, 14.14% in small-cap stocks, and 0.29% in cash equivalents and other net assets. Mandates for active growth/value and small cap developed market strategies represent roughly 21.89% and 14.14% 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

PENSION FUNDS MANAGEMENT DIVISION

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

Fixed Income Investments

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

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, 2014, the CFIF was approximately 28.80% invested in Treasury/agency securities, 27.00% in corporate securities, 26.90% in mortgage-backed securities, and 17.30% 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, 2014, the ILBF was approximately 92.90% invested in U.S. inflation-linked Treasury securities, 1.50% in United Kingdom securities, and 5.60% in cash equivalents and other net assets. The benchmark for ILBF is the Barclays World Government Inflation Linked Bond Index.

The EMDF consists of externally managed fixed income portfolios that contain debt instruments issued by governments and companies located in emerging countries as defined by the benchmark and The World Bank. The benchmark for EMDF is the J.P. Morgan Emerging Markets Bond Index Global Diversified/J.P. Morgan Government Bond Index - Emerging Markets Global Diversified (50%/50%). As of June 30, 2014, the EMDF was approximately 32.80% invested in Latin America, 31.80% in Europe, 20.60% in Asia, 6.30% in Africa, and 8.50% 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, 2014, the HYDF was approximately 75.10% invested in corporate securities, 3.40% in treasury securities, and 21.50% 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 also allocations to short-term fixed income securities, developed market sovereign bonds and emerging market currencies. As of June 30, 2014, the LF was approximately 42.96% invested in money market securities, 27.56% in short duration bond securities, and 29.48% 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.

PENSION FUNDS MANAGEMENT DIVISION

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). As of June 30, 2014, the REF was approximately 44.20% invested in Core, 13.10% in Value-Added, 37.40% in Opportunistic and 5.30% in cash equivalents and other net assets. The benchmark for REF is the National Council of Real Estate Investment Fiduciaries (NCREIF) Property Index (NPI), with one quarter lag.

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, 2014, the PIF was approximately 69.70% invested in Corporate Finance, 21.05% in Venture, and 9.25% 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 CIFs. Hybrid strategies which contain multiple asset classes are also considered part of the opportunity set. As of June 30, 2014, the AIF was approximately 85.11% invested in Hedge fund of funds, 6.87% in Real Assets, 4.16% in Opportunistic, and 3.85% in cash equivalents and other net assets. AIF's benchmark is the 90-day Treasury Bills.

Securities Lending

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

Deutsche Bank was responsible for marketing the program, lending the securities, and obtaining adequate collateral during Fiscal Year 2014. As of June 30, 2014, securities with a market value of approximately \$1.95 billion had been loaned against collateral of approximately \$2.02 billion. Income generated by securities lending totaled \$13.3 million for the fiscal year.

The Year in Review

Total Fund Performance

During the fiscal year ended June 30, 2014, the three largest pension plans, TERF, SERF and CMERF (which together represent 98% of total assets), returned 15.67%, 15.62% and 13.58% net of expenses, respectively. During the fiscal year, the value of the CRPTF's net position increased from approximately \$25.94 billion to \$29.43 billion. The \$3.49 billion increase was primarily due to an increase in assets from operations of \$4.14 billion partially offset by net withdrawals of \$650 million.

Throughout the year, markets were strong across the board, with virtually all markets in which the CRPTF invests posting positive returns. The strongest returns were generated in the U.S. and developed equity markets. The driving forces were moderate economic growth and investors' willingness to invest in risk assets. Growth in the U.S. economy was helped by a recovering housing market, improved employment

PENSION FUNDS MANAGEMENT DIVISION

situation and pent-up consumer demand. The Federal Reserve began to reverse its stance of quantitative easing in a measured manner, which provided a tailwind for generating solid market returns.

The MEF exceeded its benchmark, the Russell 3000, with a fiscal year return of 25.28%. The U.S. equity markets produced robust gains given the low level of interest rates and strong company earnings. The broad Russell 3000 index was up 25.22% during the fiscal year; within the asset class, small cap stocks outperformed large cap by returning 29.5% and 25.1%, respectively. In terms of investment style, growth stocks outperformed value stocks across the large and small capitalization spectrum.

International equity, which is comprised of both DMISF and EMISF, returned 22.31% and 11.50%, respectively. The asset class performed well, due to successful country and security selection. European markets rallied as the European Central Bank provided economic support to the peripheral European countries, lifting the region out of recession, while Japan engaged in aggressive monetary stimulus to move its economy forward. DMISF portfolio returns outperformed its benchmark, MSCI EAFE IMI 50% hedged, by 125 basis points. 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, and the currency hedge detracted 185 basis points in return. EMISF portfolio returns trailed its benchmark, the MSCI EM IMI, by 281 basis points. There was a notable decoupling of developed and emerging markets during the past fiscal year. The emerging markets posted returns that were much lower than their developed counterparts, as investors flocked to the more liquid, less risky, and reasonably valued developed markets at the expense of the emerging markets. The emerging markets equity returns also suffered when the U.S. dollar strengthened as the portfolio is unhedged, and due to fund flows out of the emerging markets.

Using the Teachers' Retirement Fund as a proxy, the domestic fixed income portfolios (CFIF, ILBF, and HYDF) returned approximately 6.45% for the fiscal year versus the Barclay's Aggregate Index's negative 4.37%. High yield and emerging market debt were the fiscal year's strongest performers in the fixed income markets. The CRPTF allocated funds to the high yield and emerging market debt to provide current income and position the portfolio in shorter dated maturities. Conversely, U.S. Treasury securities posted lower returns versus high yield and emerging market debt.

The Private Investment Fund returned a strong 16.06% for Fiscal Year 2014, yet underperformed its public market equivalent benchmark, the S&P 500 return of 24.61%. The underperformance of its benchmark during a period of strong public equity returns is not unusual, as private equity performance generally lags public markets. The Private Investment Fund outperformed a more comparable benchmark during the past fiscal year, the State Street Private Equity Benchmark, which returned 15.24%, by 82 basis points. The market for private equity exits was strong throughout the fiscal year. Over the course of the fiscal year, investments were made as part of the private equity investment plan and targeted strategies that took advantage of distressed companies, generated current cash flow, or exploited under-invested segments of the market.

The Real Estate Fund performed in line with its NCREIF benchmark, returning 10.66% versus the NPI return of 11.18%, benefitting from the rebound in real estate prices which boosted its fiscal year return. Additionally, the Real Estate Fund has continued to make up ground during the real estate market rebound, showing an improved trend with three year performance of 9.36% compared to five year performance of 3.93%. This asset class continued to be well diversified, generating strong current income in this low rate environment, and increased its market value.

The Alternative Investment Fund, which invests in hedge funds, real assets and other opportunistic investments, returned 6.63%, significantly outperforming its benchmark by 658 basis points. The Alternative Investment Fund was designed to reallocate funds into the most promising, risk-adjusted market opportunities. Given the strong equity markets, the portfolio favored equity-related strategies, but also continued to invest in dislocated credit and other concentrated investment strategies.

Detailed descriptions and performance information for each of the CIFs can be found on pages 28 through 74.

2014 Management Initiatives

The continued implementation in Fiscal Year 2014 of the CRPTF investment pacing plans established for real estate, alternative investment and private equity opportunities led to eight investment commitments totaling approximately \$680 million. Four of these investment opportunities, at an aggregate total of \$450 million, made great strides in satisfying the allocation target of the Open Ended Core Fund strategies in the Real Estate Fund portfolio. Also in Fiscal Year 2014, \$375 million was awarded to four Private Investment Fund opportunities. In the CRPTF public market portfolios, following competitive searches, Treasurer Nappier selected three firms to provide investment management services for the Global Inflation-Linked Bond mandate and, separately, hired an investment manager to supervise and direct the investments of active and passive Currency Overlay accounts in the Developed Markets International Stock Fund. At fiscal year-end, these public fund mandates were pending contract negotiations, but have since been successfully negotiated.

During Fiscal Year 2014, BNY Mellon and Deutsche Bank each successfully completed the contract execution process to provide, respectively, master custodian services and securities lending services to the CRPTF. Competitive searches for these mandates were conducted in Fiscal Year 2013.

The Connecticut Horizon Fund is a \$1 billion fund-of-funds public market program and a \$155 million private equity allocation created in 2004 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 2014, public market managers totaled 40 CHF sub-managers; emerging firms represented the largest allocation of total assets at 82%; women-owned firms represented 46%, followed by minority-owned firms at 36% and Connecticut-based firms at 25% 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.

Expansion of the diversity of firms with which PFM does business continued during Fiscal Year 2014; overall, 36 minority-owned, women-owned, Connecticut-based and emerging firms comprised 30% of the firms doing business with the division. These firms earned fees in excess of \$39 million, representing 41% of all fees paid by the division.

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 2014, the Office of the Treasurer filed shareholder resolutions at 22 companies. It held discussions with corporate leaders of more than 40 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. Executive compensation was among the key issues of focus for the Office during Fiscal Year 2014. The Treasurer supported, and the CRPTF voted in favor of, shareholder resolutions calling on companies to adopt policies related to compensation recoupment in the case of senior employees involved in criminal or unethical behavior, addressing internal pay equity, and requiring chief executive officers and senior managers to hold equity compensation until their retirement from company service.

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

PENSION FUNDS MANAGEMENT DIVISION

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 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.

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

Connecticut's MacBride law, Conn. Gen. Stat. §3-13h, is based on the MacBride Principles, which are a corporate code of conduct designed to address religious discrimination in the workplace for companies doing business in Northern Ireland. At the end of Fiscal Year 2014, two companies -- Domino's Pizza Inc. and Yum Brands, Inc. -- were on the "MacBride Prohibited List" due to their failure to implement the MacBride Principles, and the Treasurer directed the CRPTF's investment managers to refrain from purchasing the securities of these companies.

With respect to Sudan, the Office of the Treasurer continued to monitor and communicate with companies doing business in said country pursuant to Conn. Gen. Stat. §3-21e. Under the law adopted in 2006, the Treasurer has the authority to engage companies doing business in Sudan and potentially divest holdings in those companies if their business is contributing to the government's perpetuation of genocide in Sudan. At the end of Fiscal Year 2014, the Treasurer directed the CRPTF's investment managers to divest from and refrain from further 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 Cooperation Ltd., Liaoning Huajin Tongda Chemicals Co. Ltd., Sichuan Nitrocell Co. Ltd., China North Optical-Electrical Technology Co. Ltd., and AKM Industrial Co. Ltd.; China Petroleum and Chemical Corp., CNPC (Hong Kong); Dongfeng Motor Corporation; Jiangxi Hongdu Aviation Industry Ltd.; MISC Bhd; Oil and Natural Gas Corp (ONGC); PetroChina Co. Ltd.; Petronas Capital Ltd.; Sinopec Shanghai Petrochemical Corp.; Sudan Telecom (Sudatel); and Wartsila Oyj. This list reflects the removal of two companies that no longer conduct business in Sudan. Taken together, the value of the CRPTF's combined investments in companies at the time of divestment was approximately \$15 million.

In 2013, with other institutional investors, the Treasurer undertook engagement with Caterpillar, Inc. because of reported sales by a subsidiary of the company to the Government of Sudan. The Treasurer publicly announced her support for a shareholder resolution filed by the New York State Comptroller which called upon the company to ensure that its products were not sold to the Government of Sudan and to report to shareholders on the progress by December 2013. The proposal did not receive the votes of a majority of shareholders and was refiled in 2014 with the Treasurer as a co-filer. Although the proposal garnered more votes in 2014 than in 2013, it did not pass.

Connecticut's Iran law, Conn. Gen. Stat. §3-13g, authorizes the Treasurer to engage with companies doing business in Iran, due to concerns about whether such companies, by their business activities, may be contributing to the Iranian government's development of its nuclear program and its support of global terrorism. In April of 2013, the Treasurer directed the divestment from and prohibited future direct investment in 6 companies doing business in the energy sector in Iran: China National Offshore Oil Corporation (China Oilfield Services Ltd.), Daelim Industrial Co. Ltd., Indian Oil Corporation Ltd. (IOCL), Oil India Ltd., Petroleos de Venezuela S.A., and Sasol Ltd. CRPTF managers were given 120 days to implement the directive to divest, and a final report was due from managers in August 2013. Prior to divestment, Sasol sold its interest in a joint venture operating in Iran, and as a result, the Treasurer removed Sasol from the restricted list. In accordance with the Treasurer's directive, managers divested CRPTF holdings in China National Offshore Oil Corp. valued at \$16,040,431, resulting in a realized gain of \$3,270,350. In addition, CRPTF managers divested from holdings in Petroleos de Venezuela valued at \$18,667,133, resulting in a realized gain of \$2,151,774. CRPTF managers did not have direct holdings in the other companies at the time of the divestment directive.

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.

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 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 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 that investor-managed cases are more effectively negotiated, efficiently litigated and achieve larger settlements for the benefit of all investors. As such, the Office believes it should take on its fair share of the management responsibility of such litigation and will consider making application to serve as lead plaintiff in class action litigation where appropriate. From time to time, the Office 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 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 CRPTF recovered \$1.4 million from class action settlements in the fiscal year ended June 30, 2014. 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 court and the discovery phase of the litigation has resumed.

Corporate Governance Related Litigation

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

Other Litigation

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

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

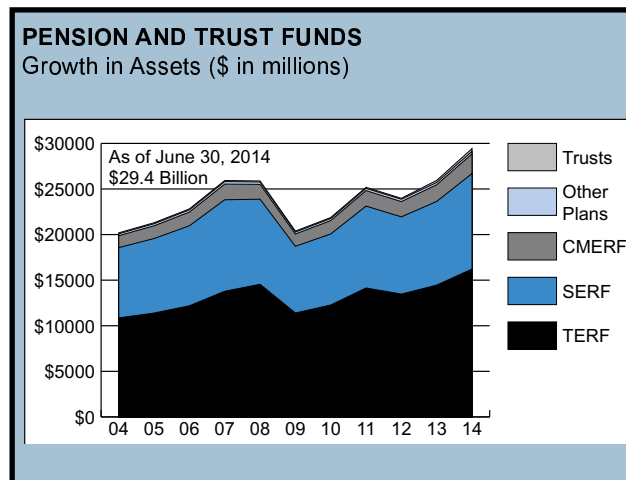
PENSION FUNDS MANAGEMENT DIVISION

The Office of the Treasurer has received notice from the Securities and Exchange Commission of the pending distribution 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. Such distribution is expected in Fiscal Year 2015.

Figure 1-1

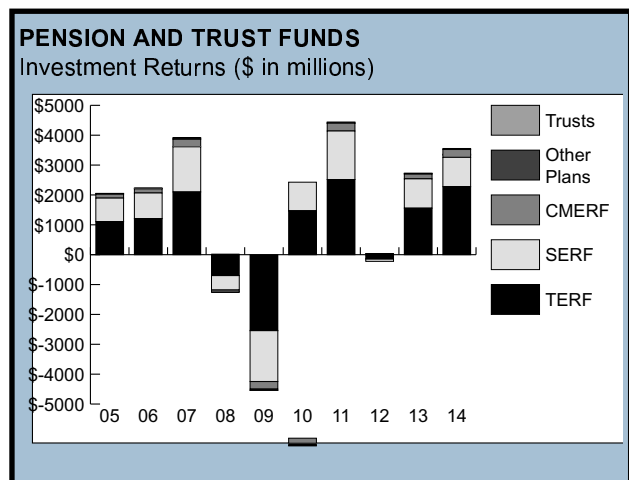
	TERF				SERF				CMERF			
	Actual	Target	Lower	Upper	Actual	Target	Lower	Upper	Actual	Target	Lower	Upper
		Policy	Range	Range		Policy	Range	Range		Policy	Range	Range
U.S. EQUITY												
Mutual Equity Fund (MEF)	24.2%	21.0%	17.0%	25.0%	25.6%	21.0%	17.0%	25.0%	16.4%	16.0%	13.0%	19.0%
INTERNATIONAL EQUITY												
Developed Market Intl Stock Fund (DMISF)	21.8%	18.0%	14.0%	22.0%	21.2%	18.0%	14.0%	22.0%	14.0%	14.0%	11.0%	17.0%
Emerging Market Intl Stock Fund (EMISF)	9.2%	9.0%	7.0%	11.0%	9.2%	9.0%	7.0%	11.0%	7.2%	7.0%	6.0%	8.0%
REAL ESTATE												
Real Estate Fund (REF)	5.0%	7.0%	5.0%	9.0%	4.9%	7.0%	5.0%	9.0%	6.9%	7.0%	5.0%	9.0%
FIXED INCOME												
Core Fixed Income Fund (CFIF)	7.2%	7.0%	6.0%	8.0%	9.0%	8.0%	6.0%	10.0%	7.9%	8.0%	6.0%	10.0%
Inflation Linked Bond Fund (ILBF)	3.1%	3.0%	2.0%	4.0%	4.4%	5.0%	4.0%	6.0%	5.0%	5.0%	4.0%	6.0%
Emerging Market Debt Fund (EMDF)	5.3%	5.0%	4.0%	6.0%	4.3%	4.0%	3.0%	5.0%	8.1%	8.0%	6.0%	10.0%
High Yield Debt Fund (HYDF)	4.5%	5.0%	4.0%	6.0%	4.8%	5.0%	4.0%	6.0%	13.9%	14.0%	11.0%	17.0%
Liquidity Fund (LF)	5.2%	6.0%	5.0%	7.0%	2.7%	4.0%	3.0%	5.0%	2.8%	3.0%	2.0%	4.0%
Commercial Mortgage Fund (CMF)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
PRIVATE EQUITY												
Private Investment Fund (PIF)	10.1%	11.0%	8.0%	14.0%	9.7%	11.0%	8.0%	14.0%	10.1%	10.0%	7.0%	13.0%
ALTERNATIVE INVESTMENT												
Alternative Investment Fund (AIF)	4.4%	8.0%	6.0%	10.0%	4.2%	8.0%	6.0%	10.0%	7.7%	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

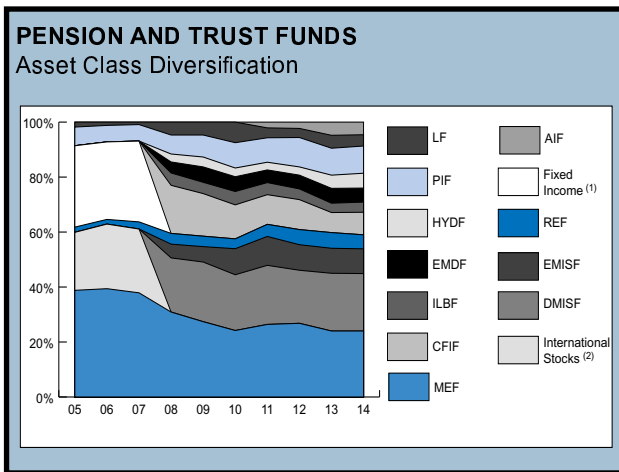
Figure 1-3



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

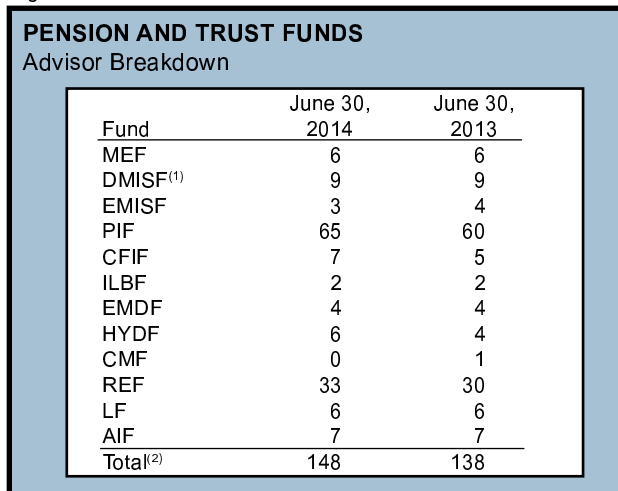
PENSION FUNDS MANAGEMENT DIVISION

Figure 1-4



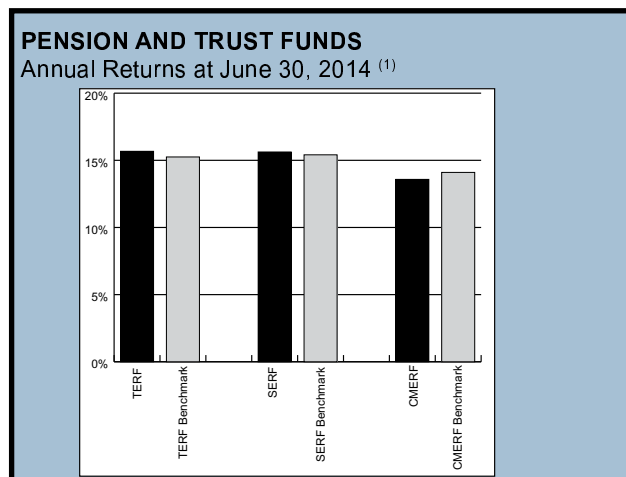
- (1) Prior to November 1, 2007 CFIF, ILBF, EMDF and HYDF were included in a Combined Investment Fund titled Mutual Fixed Income Fund.
- (2) Prior to November 1, 2007 DMISF and EMISF were included in a Combined Investment Fund titled International Stock Fund.

Figure 1-5



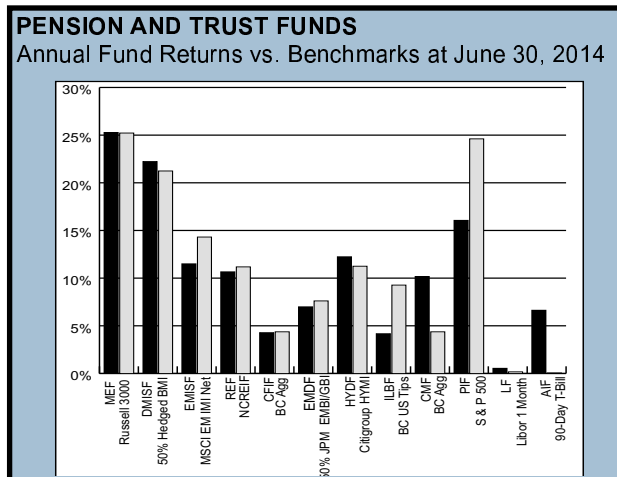
- (1) Does not include the Currency Overlay Manager.
- (2) Actual total advisors was 141 and 129, respectively when factoring in advisors across multiple funds. Private Investment partnerships with nonmaterial balances are not included.

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		
	2014	2013	2012	2011	2010	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)	15.67	11.83	(0.96)	20.77	12.87	8.60	11.79	7.07
TERF Custom Benchmark	15.25	12.05	0.97	20.65	12.29	9.23	12.04	7.09
State Employees' Retirement Fund (SERF)	15.62	11.90	(0.90)	21.15	12.93	8.64	11.90	6.94
SERF Custom Benchmark	15.41	12.05	1.04	21.30	12.60	9.29	12.26	7.10
Municipal Employees' Retirement Fund (MERF)	13.58	9.60	0.47	17.87	12.57	7.74	10.66	6.72
MERF Custom Benchmark	14.10	10.49	2.72	18.82	11.82	8.97	11.44	7.25
<u>U.S. Stocks</u>								
Mutual Equity Fund	25.28	21.15	3.38	31.92	14.01	16.20	18.73	7.56
Russell 3000 Index	25.22	21.46	3.84	32.37	15.72	16.46	19.33	8.23
<u>International Stocks</u>								
Developed Markets International Stock Fund	22.31	22.56	(12.48)	26.30	11.03	9.55	13.06	7.37
S&P/Citigroup EPAC BMI 50% Hedged	21.24	21.31	(11.25)	23.20	9.68	9.29	12.02	7.30
Emerging Markets International Stock Fund	11.50	3.29	(14.16)	28.55	25.23	(0.33)	9.79	11.53
MSCI Emerging Market Investable Market Index	14.31	3.66	(16.29)	27.53	24.57	(0.27)	9.52	12.16
<u>Equity Commercial Real Estate</u>								
Real Estate Fund	10.66	10.26	7.19	16.12	(20.18)	9.36	3.93	3.63
NCREIF (1 Qtr. Lag)	11.18	10.52	13.41	16.03	(9.60)	11.69	7.89	8.66
<u>U.S. Fixed Income</u>								
Core Fixed Income Fund	4.28	(0.24)	7.63	4.49	11.81	3.88	5.57	4.86
Barclays Aggregate Bond Index	4.37	(0.69)	7.47	3.90	9.50	3.66	4.85	4.93
Emerging Market Debt	6.99	1.69	4.78	16.06	23.02	4.48	10.25	N/A
50% JP Morgan EMBI/50% JPM GBI EMBI	7.61	2.82	10.90	11.74	17.90	7.06	10.08	N/A
High Yield Debt	12.24	8.46	6.23	15.96	24.54	9.04	13.40	8.54
Citigroup High Yield Market Capped Index	11.25	9.05	7.66	15.26	25.64	9.35	13.52	8.50
Inflation Linked Bonds	4.17	(4.33)	11.91	7.23	9.48	3.76	5.66	N/A
BC World Gov't Inflation Linked Bond Index	9.27	(1.85)	11.66	7.74	9.52	5.52	6.75	N/A
Commercial Mortgage Fund	10.17	0.88	(6.48)	4.61	6.75	1.29	3.02	4.77
Barclays Aggregate Bond Index	4.37	(0.69)	7.47	3.90	9.50	3.66	4.85	4.93
<u>Alternative Assets</u>								
Private Investment Fund	16.06	9.50	5.92	19.89	17.32	10.42	13.62	10.08
S & P 500	24.61	20.60	5.45	30.69	14.43	16.58	18.83	7.78
<u>Liquidity Fund</u>								
⁽¹⁾ Liquidity Fund	0.54	0.66	(0.14)	1.20	0.98	0.35	0.64	2.17
LIBOR 1 Month Index	0.17	0.21	0.25	0.25	0.27	0.21	0.23	1.86
<u>Alternative Investment Fund</u>								
90-Day T-Bill	6.63	6.39	(1.62)	N/A	N/A	3.73	N/A	N/A
	0.05	0.11	0.05	N/A	N/A	0.07	N/A	N/A

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

2014 liquidity fund

Fund Facts at June 30, 2014

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: \$2,188,177,025

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

Management Fees: \$4,798,276

Benchmark: One Month London Interbank Offered Rate (LIBOR)

Operating Expenses: \$695,001

Number of Advisors: 6 external

Expense Ratio: 0.24%

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, asset-backed securities, mortgage-backed securities, domestic and foreign bonds, sovereign debt and foreign currencies. As of June 30, 2014, the average maturity of the LF was 343 days and the average quality rating was AA-2 (See Figure 2-5).

Market Review

At the beginning of fiscal year 2014, financial markets were deteriorating as investors reacted to signals from the Federal Reserve Bank (Fed) that it might begin to slow the pace of its quantitative easing program. The shift in tone fueled a broad-based sell-off within fixed income markets, reducing liquidity and pushing yields higher across the risk spectrum. Rates declined in the fourth quarter of calendar year 2013 when the Fed postponed implementing its tapering program and rose again in the first quarter of calendar year 2014 when the Fed began to reduce its asset purchases. During the fiscal year, short-term Treasury yields remained close to zero, and the U.S. Treasury market remained stable as demand for risk-free assets was strong in a market of low global government yields. Money market reform rules remained in limbo during the period, thereby having little impact on money markets. The one-to-three year Treasuries returned 0.77% for the fiscal year, while comparable maturity corporate and asset-backed securities returned 2.66% and 1.35%, respectively.

Performance Summary

For the Fiscal Year ended June 30, 2014, the LF generated a return of 0.54%, outperforming the one month LIBOR benchmark return of 0.17% by 37 basis points. As of June 30, 2014, the LF compounded net annualized

PENSION FUNDS MANAGEMENT DIVISION

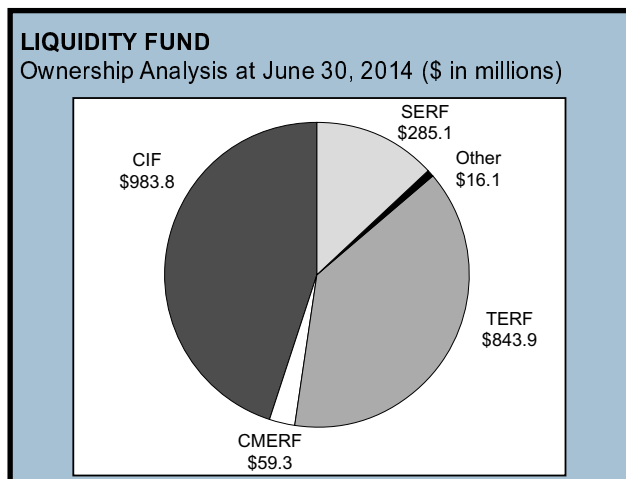
total returns, for the trailing three, five and ten year periods were 0.35%, 0.64% and 2.17%, respectively. The returns outperformed the LF's benchmark for the time periods listed. (See Figure 2-6).

The cumulative returns of the LF for the three, five, and ten year periods were 1.05%, 3.26% and 23.91%, respectively (See Figure 2-6).

Risk Profile

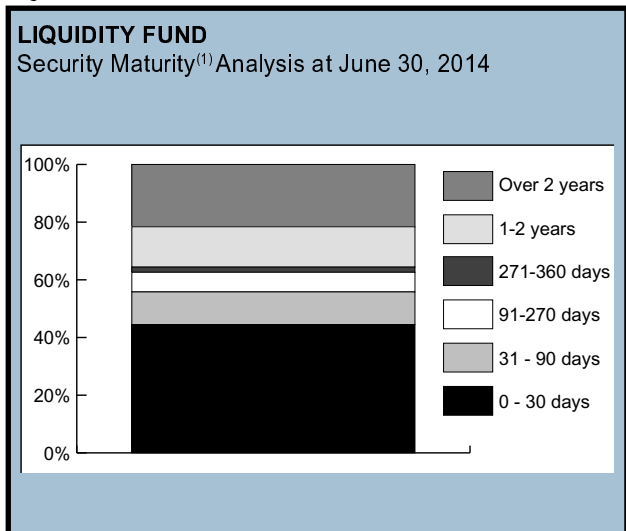
By maintaining a short average maturity, the Fund has relatively low interest rate risk, and by investing in high quality securities, the LF has a relatively low risk of credit default. The Fund assumes currency risk through its investments in high quality global sovereign bonds and emerging market currencies.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

Figure 2-1



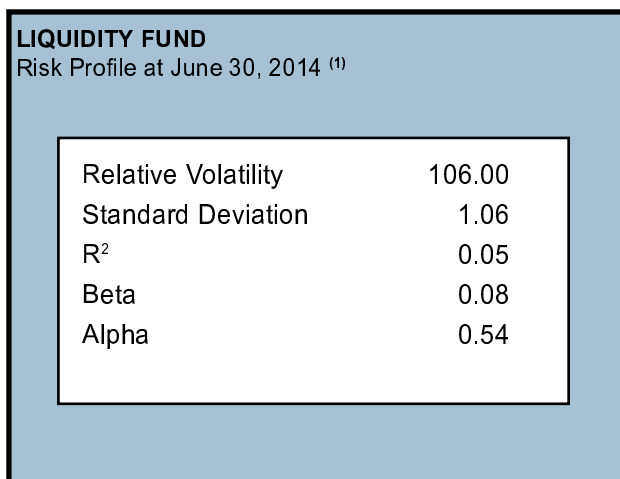
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund
CIF - Combined Investment Funds

Figure 2-3



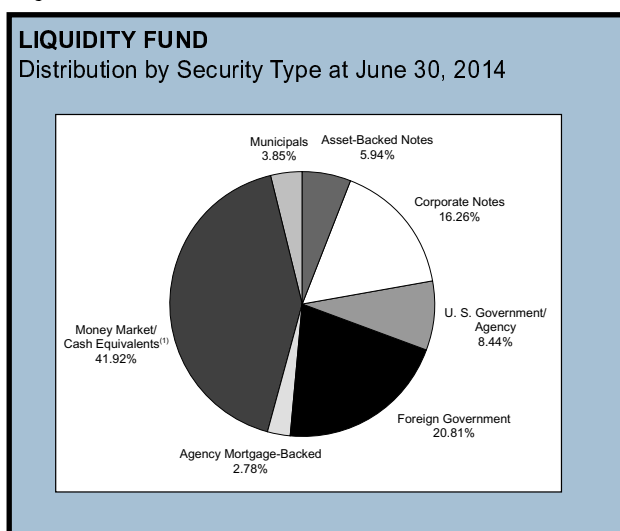
(1) Or Interest Rate Reset Period.

Figure 2-2



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

Figure 2-4



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

PENSION FUNDS MANAGEMENT DIVISION

Figure 2-5

LIQUIDITY FUND Comprehensive Profile				
Date	Number of Issues	Yield ⁽¹⁾	Average Maturity	Average Quality
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+
2005	100	2.36%	44 days	A-1+/AA+
2004	92	1.28%	48 days	A-1+/AA+

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

Figure 2-6

	1 YR	3 YRS	5 YRS	10 YRS
LIQUIDITY FUND Periods ending June 30, 2014				
Compounded, Annual Total Return (%)				
LF	0.54	0.35	0.64	2.17
LIBOR 1 MONTH INDEX	0.17	0.21	0.23	1.86
CPI-URBAN	2.07	1.83	2.02	2.31
Cumulative Total Return (%)				
LF	0.54	1.05	3.26	23.91
LIBOR 1 MONTH INDEX	0.17	0.62	1.15	20.19
CPI-URBAN	2.07	5.59	10.50	25.64

Figure 2-7

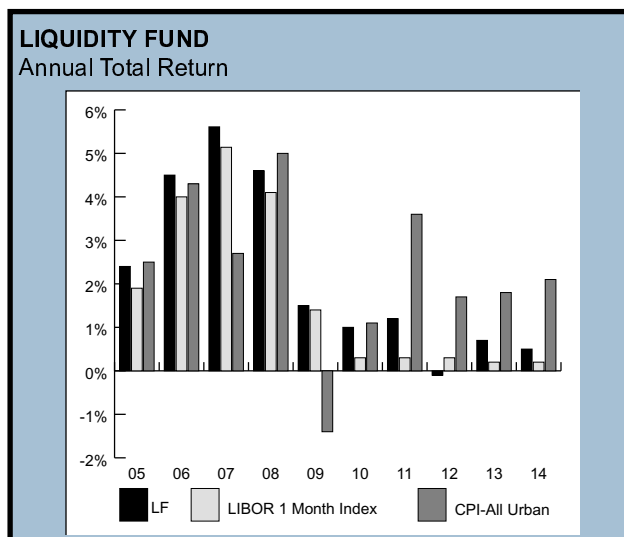


Figure 2-8

LIQUIDITY FUND Investment Advisor Tiers at June 30, 2014		
Investments	Net Asset Value	% of Fund
Tier I	\$939,898,360	42.95%
Tier II	603,317,513	27.57%
Tier III	644,961,152	29.48%
Total LF	\$2,188,177,025	100.00%

Figure 2-9

LIQUIDITY FUND Investment Advisors at June 30, 2014		
Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	\$939,898,360	42.95%
Payden & Rygel	170,012,475	7.77%
PIMCO	203,590,013	9.31%
Ambassador Capital Management	229,715,025	10.50%
Lazard	319,721,594	14.61%
Colchester Global Investors Ltd.	325,239,558	14.86%
Total LF	\$2,188,177,025	100.00%

Figure 2-10

LIQUIDITY FUND Ten Largest Holdings* at June 30, 2014			
Security Name	Maturity Date	Market Value	%
CITIBANK NA REPO	07/01/2014	\$190,000,000	8.70%
BNP PARIBAS CAT 1 REPO	07/01/2014	152,000,000	6.96%
MORGAN STAN TRI REPO	07/01/2014	87,000,000	3.98%
M L (COR) REPO REPO	07/01/2014	57,079,000	2.61%
FED HOME LN BK CONS DISC	8/22/2014	50,342,109	2.31%
BNP PARIBAS CAT 1 REPO	07/01/2014	50,000,000	2.29%
POLAND GVM T BOND	10/25/2016	35,759,644	1.64%
BARCLAYS CP REPO REPO	07/01/2014	33,127,000	1.52%
EUROPEAN INV BANK	01/23/2017	27,877,729	1.28%
NEW ZEALAND GVM T BOND	12/15/2017	25,594,494	1.17%
Top Ten		\$708,779,976	32.46%

* 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.

2014 alternative investment fund

Fund Facts at June 30, 2014

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: \$1,349,890,552

Performance Objective: To outperform the 90 day T-Bill Rate ("T-Bills").

Expensed Management Fees: \$0

Benchmark: 90 Day T-Bills

Capitalized and Netted Fees: \$8,807,764

Number of Partnerships: 7 external

Operating Expenses: \$1,026,340

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, 2014, the AIF was invested in four absolute return-oriented fund of hedge funds with a combined market value of \$1.15 billion. The portfolio also includes two real asset-oriented private equity style funds which invest in energy infrastructure with a combined market value of \$92.7 million and a European distressed credit partnership with a market value of \$56.2 million.

Market Review

Against a backdrop of strong and consistent equity market performance, a benign credit market with declining rates and tightening spreads, and low and decreasing observed volatilities, most hedge fund strategies performed well in the twelve months ended June 30, 2014. Leaders included strategies with some degree of market beta, including long/short equity, event driven and credit/distressed. Laggards included market neutral and volatility-driven strategies including relative value, global macro and systematic trading. The overall hedge fund industry generated returns of 9.09% for the HFRI Fund Weighted Composite Index and 8.83% for the DJCS Hedge Fund Index.

During the fiscal year there was meaningful dispersion across hedge fund strategies. Event driven and equity long/short strategies generated the highest returns amidst robust corporate activity and greater dispersion

between winners and losers in the global equity markets. At the other end of the spectrum, macro strategies continued to struggle to generate both total returns and alpha. Low rates from ongoing central bank intervention and overall low volatility in the debt and foreign exchange markets have constrained macro managers' ability to generate consistent returns.

Performance Summary

For the fiscal year ended June 30, 2014, the AIF generated a return of 6.63%, net of all expenses, which outperformed the 90-day Treasury Bill return of 0.05% by 658 basis points (See Figure 3-2). As of June 30, 2014, the trailing three-year net annualized return of the AIF was 3.73%. This return outperformed the compounded 90-day Treasury bill return of 0.07% by 366 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.

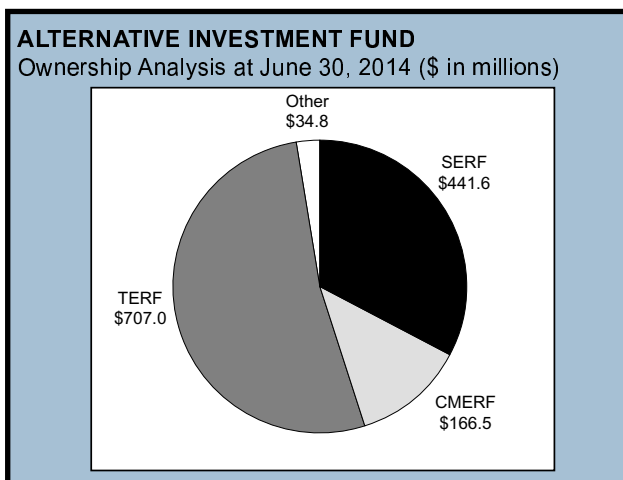
Within the AIF, the fund of hedge funds portfolio gained 9.87% as of June 30, 2014. The consolidated hedge fund portfolios once again significantly outperformed their fund of funds peer group (Hedge Fund Research, Inc. Fund of Funds Composite Index) which increased by 7.63% over the same period. It also outperformed the broader Hedge Fund Research, Inc. Fund Weighted Composite Index, which rose 9.09%.

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, 2014

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
AIF	6.63	3.73	-	-
90 Day T-Bill	0.05	0.07	-	-
Cumulative Total Return (%)				
AIF	6.63	11.60	-	-
90 Day T-Bill	0.05	0.22	-	-

Figure 3-3

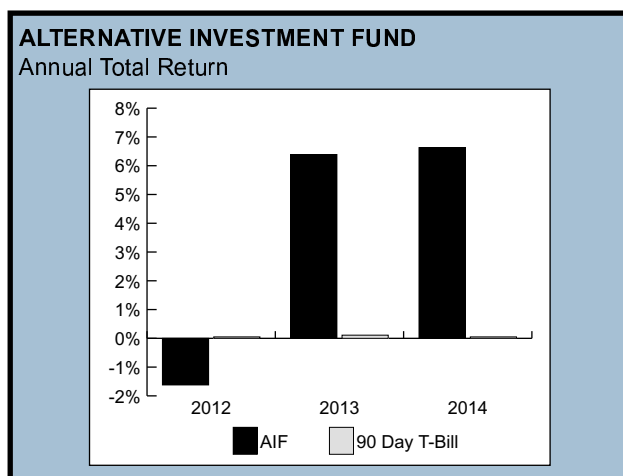


Figure 3-4

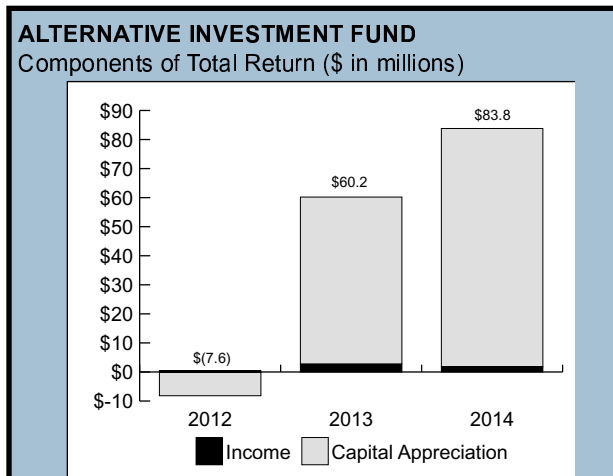


Figure 3-5

ALTERNATIVE INVESTMENT FUND
Investment Advisors at June 30, 2014

Investment Advisor	Net Asset Value	% of Fund
Arclight Energy Partners Fund	\$46,464,819	3.44%
Energy Fund XV LP	46,279,576	3.43%
Marathon European Credit Opportunity	56,199,275	4.16%
Prudence Crandall I Permal LP	287,647,920	21.31%
Prudence Crandall II Prisma LP	303,671,771	22.50%
Prudence Crandall III Rock Creek LP	281,484,535	20.85%
Prudence Crandall IV K2 LP	276,180,758	20.46%
Other ⁽¹⁾	51,961,898	3.85%
Total AIF	\$1,349,890,552	100.00%

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

Figure 3-6

ALTERNATIVE INVESTMENT FUND
Seven Largest Holdings* at June 30, 2014

Partnership Name	Type	Market Value	%
PC II - Prisma	Hedge F-o-F	\$303,671,771	22.49%
PC I - Permal	Hedge F-o-F	287,647,920	21.31%
PC III - Rock Creek	Hedge F-o-F	281,484,535	20.85%
PC IV - K2	Hedge F-o-F	276,180,759	20.46%
Marathon European	Opportunistic	56,199,275	4.16%
Arclight Energy	Real Assets	46,464,819	3.44%
Energy Fund XV LP	Real Assets	46,279,576	3.43%
Top Seven		\$1,297,928,655	96.14%

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

2014 mutual equity fund

Fund Facts at June 30, 2014

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: \$7,058,483,714

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

Management Fees: \$12,510,828

Benchmark: Russell 3000 Index

Operating Expenses: \$2,732,071

Number of Advisors: 6

Expense Ratio: 0.23%

Description of the Fund

The MEF assets are allocated across the 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 U.S..

Portfolio Characteristics

The MEF invests primarily in the common stock of U.S. corporations. The largest industry weightings at June 30, 2014 were financials (17.5%), followed by information technology (16.6%) and consumer discretionary (14.2%) (See Figure 4-3).

The MEF's ten largest holdings, aggregating 13.76% of Fund investments, included a variety of blue chip companies and were broadly diversified, with the largest holding of 2.65% in Apple Inc. (See Figure 4-9).

Market Review

Fiscal year 2014 marked another strong period for U.S. equities. Although the fiscal year began with investors raising alarm as the Federal Reserve signaled its intention to scale back its asset purchases and allow rates to drift higher, by the end of calendar year 2013 the central bank had delayed tapering its purchases of long-term securities which caused fears to subside and the market to recover. By early calendar year 2014, economic data was mixed, as weak payroll gains, slow growth in manufacturing and a drop off in the housing markets suggested a slower economic recovery. This did not have a strong impact on equity market performance, however, as many investors attributed the weakness to an exceptionally cold and snowy winter. By the end of the fiscal year, economic activity had picked up, and despite concern over escalating tensions in Europe stemming from Crimean succession and Russian troops along the Ukraine border, the markets continued to move upward as investor attention turned once again to the Federal Reserve, which began scaling back its quantitative easing program under the new leadership of Janet Yellen.

Performance was consistent throughout U.S. equity markets as large capitalization, mid cap and small cap stocks each generated similar returns for the fiscal year. Notably, growth stocks outperformed value stocks in all segments across the market capitalization spectrum, as measured by the various Russell indices. Based upon total return data from Standard & Poors, the best performing sectors were materials, information technology, and health care, while telecommunications services trailed the market. Although utilities, consumer discretionary, financials and consumer staples failed to keep pace with the broader market, these sectors were strong in absolute terms.

Performance Summary

For the fiscal year ended June 30, 2014, the MEF generated a return of 25.28%, net of all expenses, which approximated the Russell 3000 Index return of 25.22% (See Figure 4-4). As of June 30, 2014, the MEF compounded net annualized total returns, for the trailing three, five and ten year periods were 16.20%, 18.73%, and 7.56%, respectively. These results underperformed the MEF's benchmark for the time periods listed.

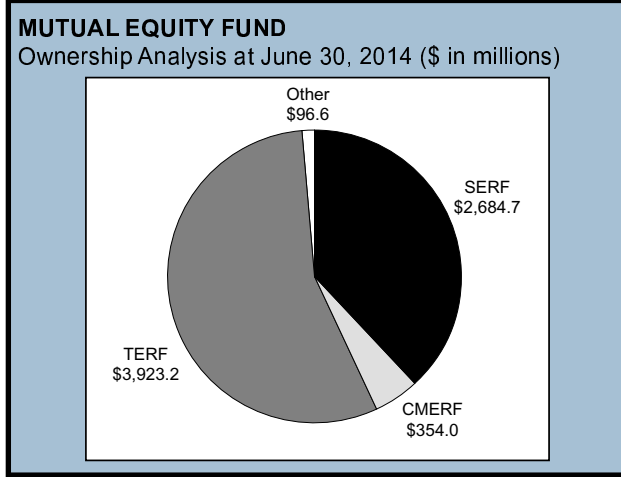
The cumulative returns of the MEF for the three, five, and ten year periods were 56.89%, 135.96%, and 107.26%, respectively.

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 0.60 (see Figure 4-2).

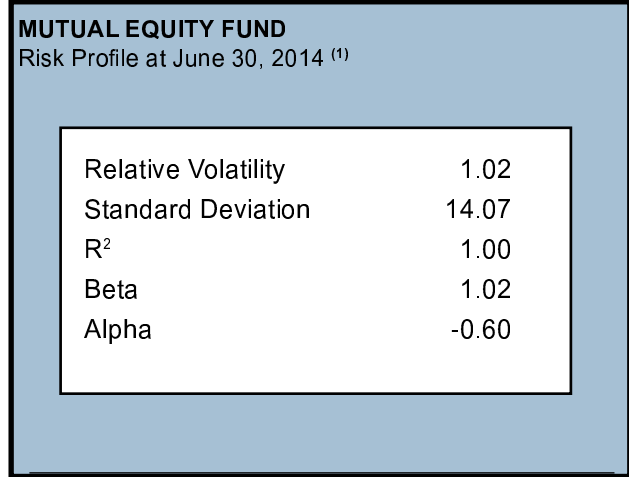
PENSION FUNDS MANAGEMENT DIVISION

Figure 4-1



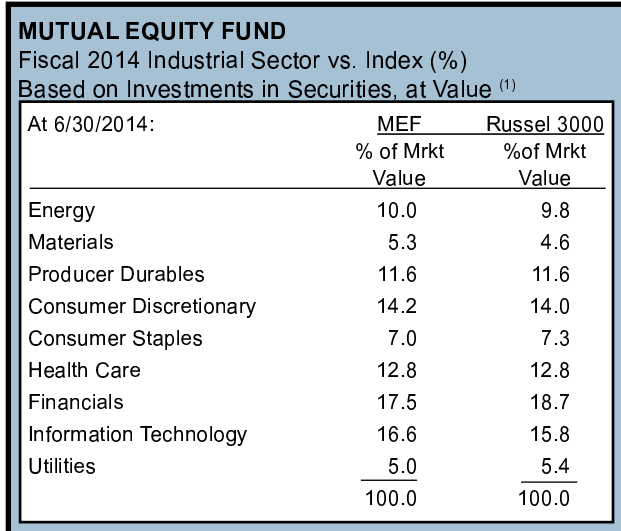
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 4-2



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

Figure 4-3



(1) Excludes the Liquidity Fund.

Figure 4-4

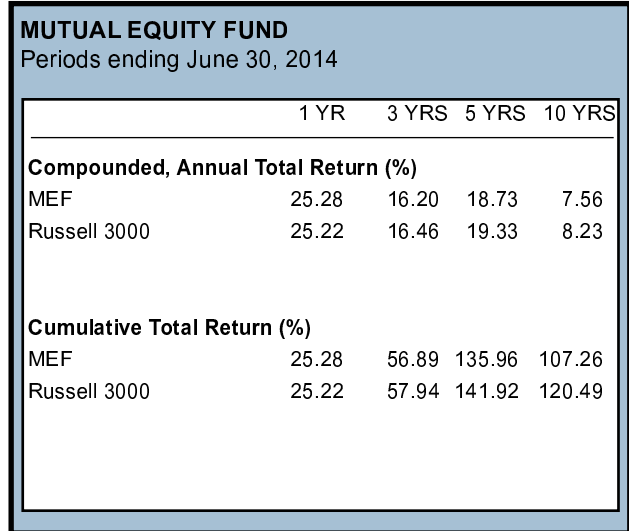


Figure 4-5

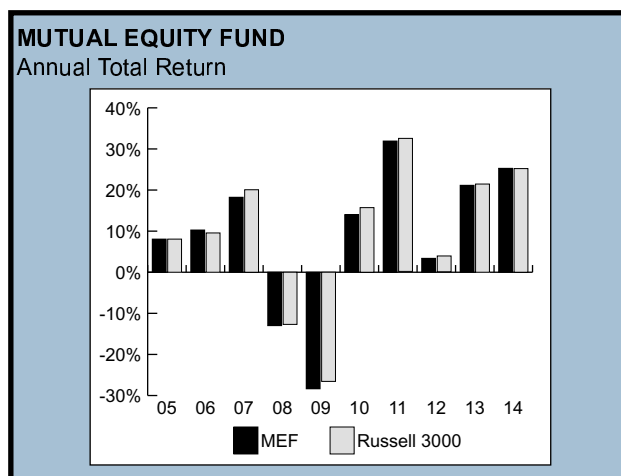
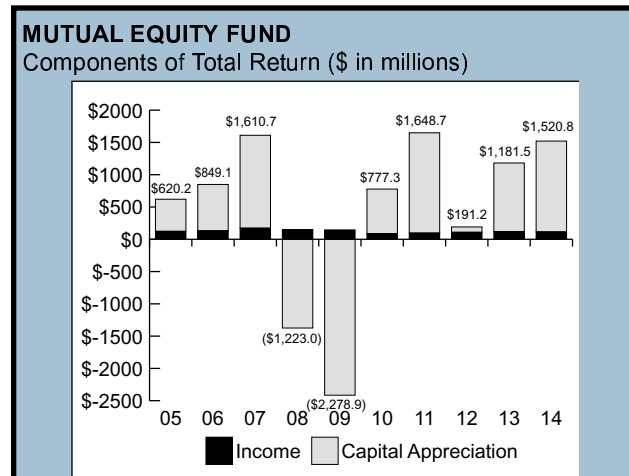


Figure 4-6



PENSION FUNDS MANAGEMENT DIVISION

Figure 4-7

MUTUAL EQUITY FUND

Comprehensive Profile for the Fiscal Years ending June 30,

	2014		2013		2012		2011		2010	
	MEF	Russell	MEF	Russell	MEF	Russell	MEF	Russell	MEF	Russell
# of Issues	1,806	3,000	1,721	3,000	1,629	3,000	1,665	3,000	1,914	3,000
Cap (\$ Bil)	\$102.1	\$101.7	\$85.5	\$85.8	\$96.9	\$89.2	\$81.5	\$73.2	\$57.2	\$59.0
P/E	21.2	20.8	19.3	19.2	18.0	18.3	19.4	20.2	16.3	17.5
Div Yield	1.74%	1.84%	1.90%	2.10%	1.99%	2.05%	1.80%	1.80%	1.90%	2.00%
ROE	16.9%	17.0%	17.3%	17.8%	21.1%	20.5%	18.7%	18.2%	15.9%	15.8%
P/B	2.8	2.7	3.8	3.7	3.7	3.7	3.5	3.5	2.7	2.9
Cash & Equiv.	0.9%	0.0%	0.8%	0.0%	0.6%	0.0%	0.6%	0.0%	0.9%	0.0%

Source: Custodian Bank

Figure 4-8

MUTUAL EQUITY FUND

Investment Advisors at June 30, 2014

Investment Advisor	Net Asset Value	% of Fund
Large Cap	\$5,955,133,413	84.37%
T. Rowe Price Associates	1,676,148,073	23.75%
State Street Global Advisors	4,278,985,340	60.62%
All Cap	516,797,772	7.32%
Capital Prospects	262,718,023	3.72%
FIS Group, Inc.	254,079,749	3.60%
Small/Mid Cap	578,645,411	8.20%
Frontier Capital Mgmt Co	316,585,465	4.49%
Bivium	262,059,946	3.71%
Other ⁽¹⁾	7,907,118	0.11%
TOTAL MEF	\$7,058,483,714	100.00%

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

Figure 4-9

MUTUAL EQUITY FUND

Ten Largest Holdings* at June 30, 2014

Security Name	Sector	Market Value	%
Apple Inc	Information Tech	186,641,077	2.65%
Exxon Mobil Corp	Energy	134,422,399	1.91%
Microsoft Corp	Information Tech	111,622,685	1.58%
Johnson & Johnson	Health Care	89,269,003	1.26%
Wells Fargo & CO	Financials	84,091,059	1.19%
General Electric CO	Producer Durables	78,872,850	1.12%
JP Morgan Chase & CO	Financials	77,359,863	1.10%
Chevron Corp	Energy	75,689,104	1.07%
Procter & Gamble CO	Consumer Staples	67,858,928	0.96%
Verizon Communications	Utilities	65,140,313	0.92%
Top Ten		\$970,967,281	13.76%

* 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.

2014 core fixed income fund

Fund Facts at June 30, 2014

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: \$2,414,687,819

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

Expensed Management Fees: \$3,050,708

Capitalized and Netted Fees: \$620,127

Benchmark: Barclays U.S. Aggregate Bond Index

Operating Expenses: \$757,028

Number of Advisors: 5 external

Expense Ratio: 0.18%

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 27.0%; U.S. Government securities 26.9%; mortgage-backed securities 26.9%; asset-backed securities 8.0% and Government agency securities 1.9%. The remaining 9.3% is invested in the Liquidity Fund and other assets, including two opportunistic funds. As of June 30, 2014, the CFIF was underweight U.S. Treasury, agency and mortgage-backed securities and overweight corporate bonds and asset-backed securities versus the Barclay U.S. Aggregate Bond Index. (See Figure 5-4). The CFIF had a longer duration of 5.85 years versus its benchmark duration of 5.58 years. (See Figure 5-3).

Market Review

Central bank easy monetary policies, the political impasse over the U.S. budget and debt ceiling, emerging markets' turmoil, and a cold weather snap that temporarily distorted U.S. economic data all contributed to fluctuating market movements during Fiscal Year 2014. At the beginning of the fiscal year, interest rates were rising as the market anticipated the Federal Reserve Bank's curtailing of its asset purchases. With a backdrop of improved domestic economic and labor statistics, consumer sentiment started to weaken as rising interest rates weighed on confidence. The anticipation of when the Fed would actually taper led to several outsized movements in Treasury rates, including a 53 basis point increase from the end of October 2013 to the end of December 2013. Yet, after peaking at 3.03% on December 31, 2013, the yield on the 10 year Treasury retreated rather quickly, and ended the fiscal year at 2.54%, only four basis points higher than it began.

Spread sectors outperformed U.S. Treasury securities for the fiscal year. Taxable municipal bonds was the best performing sector due to strong investor demand and scarce supply. This sector posted returns of 12.71%, its best fiscal year performance in history. Investment grade corporate bonds returned 7.73%, making this sector the second best performer, with the financials sub-sector outperforming both industrials and utilities. The strongest returns in the investment grade universe were in BBB rated bonds and bonds with maturities greater than 10 years.

Performance Summary

For the fiscal year ended June 30, 2014, the CFIF generated a total return of 4.28%, net of all expenses, which underperformed the Barclays U.S. Aggregate Bond Index return of 4.37% by 9 basis points. As of June 30, 2014, the CFIF's compounded net annualized total returns for the trailing three and five year periods were 3.88% and 5.57%, respectively. The CFIF outperformed the three-and-five-year returns (See Figure 5-8).

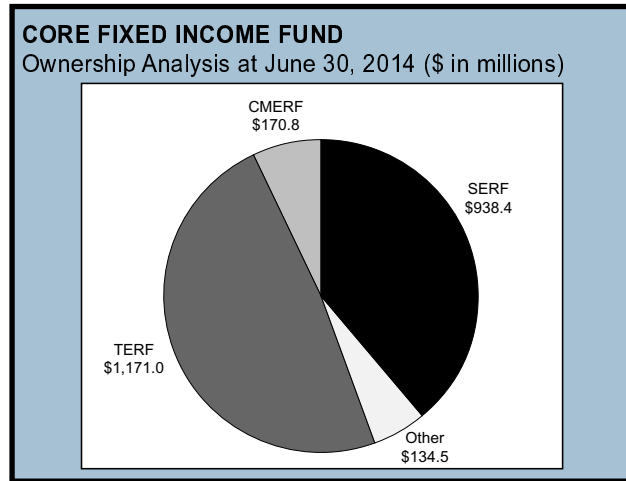
The cumulative returns of the CFIF for the three and five year periods were 12.11% and 31.15%, respectively (See Figure 5-8).

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, 57.7% of the CFIF was rated AAA (See Figure 5-5).

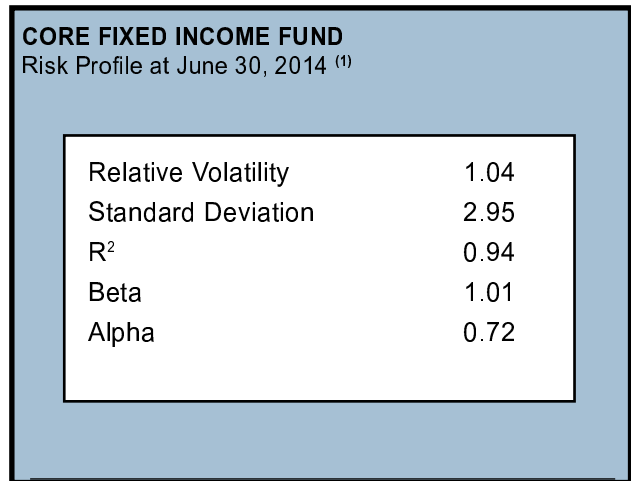
PENSION FUNDS MANAGEMENT DIVISION

Figure 5-1



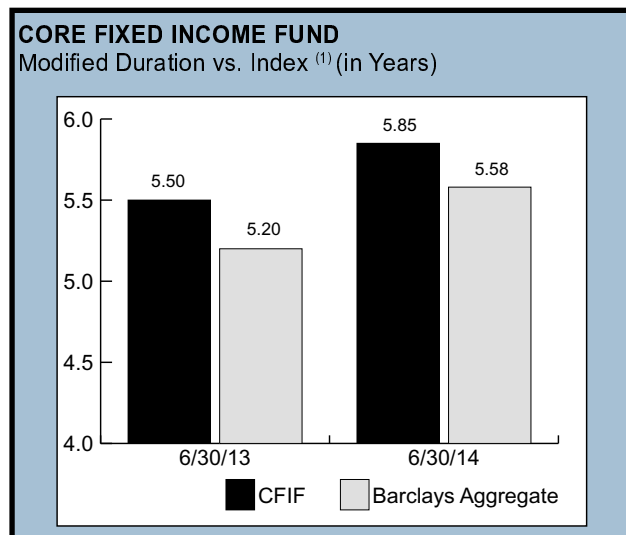
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 5-2



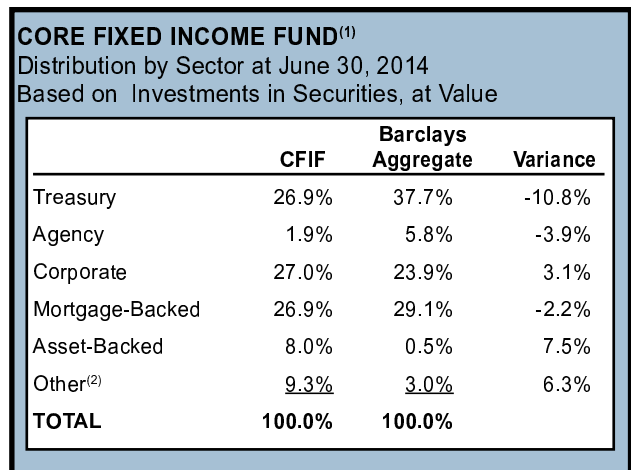
(1) Based upon returns over the last five years.

Figure 5-3



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

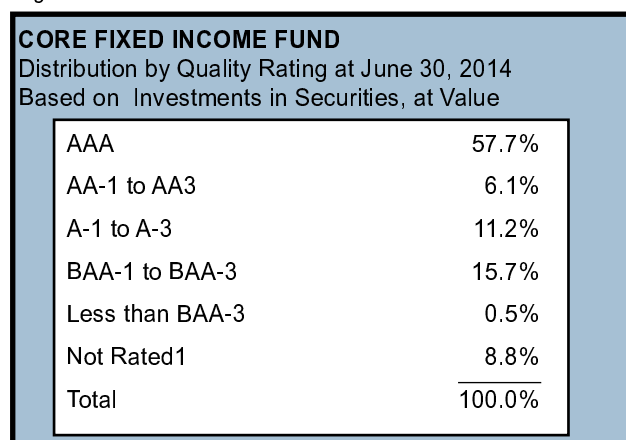
Figure 5-4



(1) Excludes holdings in two opportunistic funds.

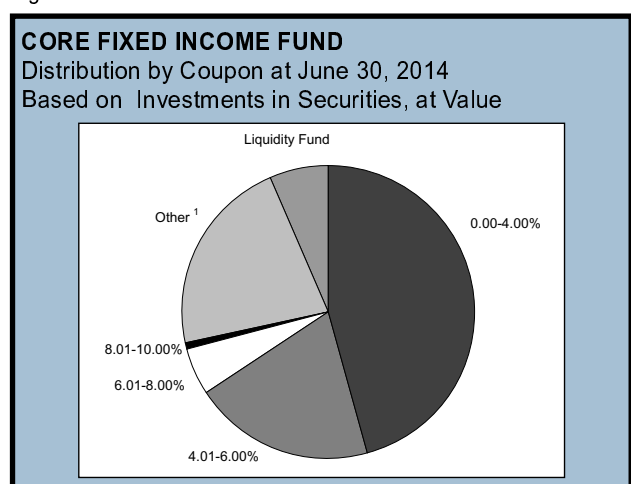
(2) Other category includes Liquidity Fund and other assets.

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, 2014
Based on Investments in Securities, at Value

0-3 Years	25.4%
3-5 Years	20.6%
5-7 Years	15.3%
7-10 Years	23.8%
10+ Years	14.9%
Total	100.0%

Figure 5-8

CORE FIXED INCOME FUND
Periods ending June 30, 2014

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
CFIF	4.28	3.88	5.57	4.86*
Barclays Aggregate	4.37	3.66	4.85	4.93
Cumulative Total Return (%)				
CFIF	4.28	12.11	31.15	60.79*
Barclays Aggregate	4.37	11.40	26.74	61.87

*Represents historical returns at the portfolio composite level.

Figure 5-9

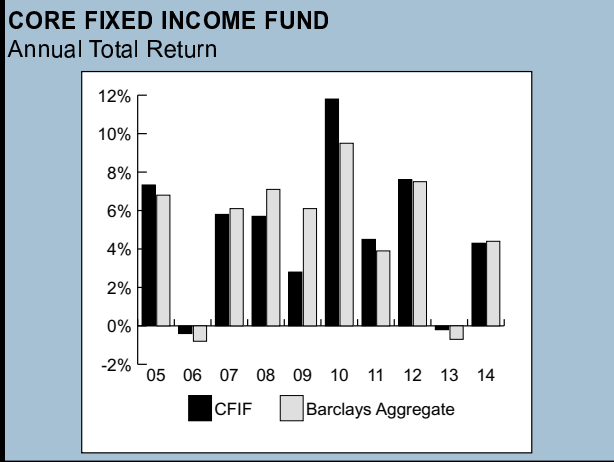


Figure 5-10

CORE FIXED INCOME FUND
Investment Advisors at June 30, 2014

Investment Advisor	Net Asset Value	% of Fund
State Street Global Advisors	\$233,719,175	9.68%
BlackRock Financial Mgmt, Inc.	555,198,700	22.99%
Wellington	595,749,553	24.67%
Conning-Goodwin Capital	343,752,001	14.24%
Progress	108,911,047	4.51%
Prudence Crandall Fund III Opp.	277,577,178	11.49%
Prudence Crandall Fund IV Opp.	277,625,214	11.50%
Other ⁽¹⁾	22,154,951	0.92%
TOTAL CFIF	2,414,687,819	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,

	2014		2013		2012		2011		2010	
	CFIF	BC AGG*	CFIF	BC AGG*	CFIF	BC AGG*	CFIF	BC AGG*	CFIF	LBAI*
Number of Issues	3,080	8,818	3,227	8,382	3,732	7,664	3,661	7,627	3,398	7,755
Average Coupon	3.47%	3.41%	3.60%	3.50%	4.20%	3.90%	4.50%	4.30%	4.70%	4.50%
Yield Maturity	2.31%	2.10%	2.30%	2.30%	2.20%	1.80%	3.10%	2.80%	3.10%	2.70%
Average Maturity	8.05	7.29	7.20	6.90	7.10	6.70	7.10	7.00	6.60	6.10
Modified Duration	5.85	5.58	5.50	5.20	4.90	4.60	5.10	4.90	4.50	4.30
Average Quality	AA-2	AA-2	AA-2	AA-2	AA-2	AA-1	AA-1	AAA	AA-1	AA-1
Liquidity Fund*	6.5%	0.0%	8.4%	0.0%	7.4%	0.0%	9.6%	0.00%	4.5%	0.0%

* 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, 2014

Security Name	Maturity	Market Value	%
U S TREASURY NOTE	06/30/2016	53,946,354	2.10%
FNMA TBA	07/01/2044	46,242,819	1.80%
U S TREASURY BOND	05/15/2044	26,995,197	1.05%
GNMA TBA	07/15/2044	24,079,250	0.94%
U S TREASURY NOTE	06/15/2017	21,783,492	0.84%
U S TREASURY NOTE	06/30/2019	20,965,000	0.81%
GNMA II POOL #0MA1996	06/20/2044	18,223,660	0.71%
US TREAS-CPI INFLAT	04/15/2019	18,000,154	0.70%
U S TREASURY NOTE	05/15/2022	17,586,337	0.68%
FNMA TBA	07/01/2044	17,087,708	0.66%
Top Ten		264,909,971	10.29%

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

Figure 5-13

CORE FIXED INCOME FUND

Quarterly Current Yield ⁽¹⁾ vs. Indices (%)

	6/30/14	3/31/14	12/31/13	9/30/13	6/30/13
CORE FIXED INCOME	3.27	3.48	3.67	3.33	3.50
Barclays Aggregate	3.12	3.17	3.23	3.22	3.20
Citigroup 3 Month T-Bill	0.00	0.00	0.00	0.00	0.04
Barclays Treasury	1.98	2.00	2.03	2.02	2.02
Barclays Agency	2.34	2.34	2.31	2.21	2.21
Barclays Mortgage	3.64	3.72	3.78	3.77	3.94
Barclays Corporate	4.01	4.12	4.25	4.28	4.44
Barclays Asset Backed	1.79	1.78	1.86	1.92	1.99

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

2014 inflation linked bond fund

Fund Facts at June 30, 2014

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: \$1,078,680,905

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

Management Fees: \$838,217

Benchmark: Barclays World Government Inflation-Linked Bond Index

Operating Expenses: \$915,479

Number of Advisors: 2 external

Expense Ratio: 0.18%

Description of the Fund

Inflation-linked bonds are high quality securities primarily issued by governments. These instruments carry a fixed interest rate while the principal of the bonds is adjusted semi-annually for any rise or decline in the inflation rate. During the prior fiscal year, the benchmark for the ILBF was changed from the U.S. benchmark to a global benchmark to broaden the investment opportunity set to include global inflation-linked bonds, prompting a search for new global investment managers.

Portfolio Characteristics

At June 30, 2014, the ILBF was comprised primarily of U.S. Treasury Inflation Protected Securities (US TIPS), in line with the previous benchmark. The transition to new global inflation-linked bond managers was in process but had not been completed by fiscal year end. The Fund's average coupon as of June 30, 2014 was 1.53% versus 1.22% for the benchmark. The average maturity for the Fund was 8.68 years versus the benchmark maturity of 8.57 years (See Figure 6-9). The ILBF maintained the highest credit quality rating of AAA for more than 90 percent of its investments.

Market Review

Quantitative easing by the Federal Reserve Bank (Fed) served as a major underpinning for Treasury Inflation Protected Securities by helping to support inflation expectations and an inflation risk premium in the market place. In the first half of fiscal year 2014, the threat of Fed tapering caused real yields to increase, and heavy retail outflows and selling of U.S. Treasury securities by foreign central banks drove 10 year nominal yields as high as 3% by mid-September. Surprised by market reaction, the Federal Reserve decided not to begin their tapering program and rates subsequently dropped. By the end of October, the 10 year nominal yield was down to 2.5%. Energy prices also declined sharply around the same time, further undermining demand for TIPS. Two months later, rates reversed direction on news of the beginning of Fed tapering as a result of strong economic news. At the end of December, ten year nominal yields had reached 3% again. Rates reversed again later when emerging market bond and currency volatility spiked higher, and a flight-to-quality move resulted in the ten year nominal Treasury yield falling back to 2.6%. Starting in the second quarter of 2014, inflation-linked bonds experienced inflows as inflation rebounded and the unemployment rate declined, raising concerns about potential future wage pressures. US TIPS returned 4.44% for Fiscal Year 2014, compared to 2.04% for nominal Treasuries.

Performance Summary

For the fiscal year ended June 30, 2014, the ILBF generated a return of 4.17%, net of all expenses, underperforming the Barclays World Government Inflation Linked Bond Index by 510 basis points. As of June 30, 2014, the ILBF compounded net annualized total returns for the trailing three-and-five-year periods were 3.76% and 5.66%, respectively. The returns underperformed the ILBF's benchmark for those time periods. (See Figure 6-7).

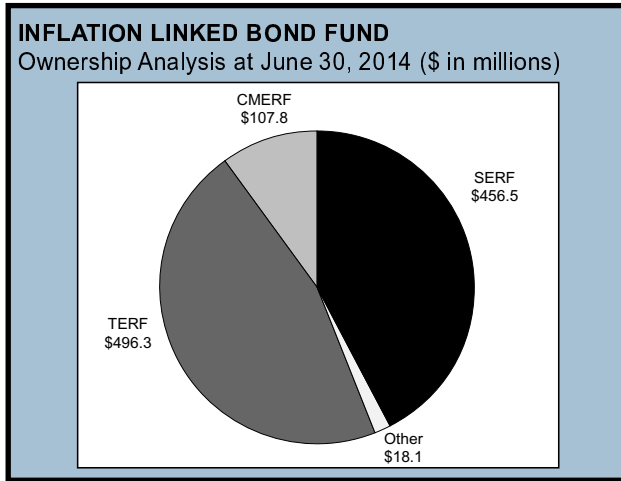
The cumulative returns of the ILBF for the three-and-five-year periods were 11.72% and 31.69%, respectively (See Figure 6-7).

Risk Profile

The ILBF is exposed to several forms of risk. These risks include, but are not limited to, interest rate risk, deflation risk, currency risk and geopolitical risk.

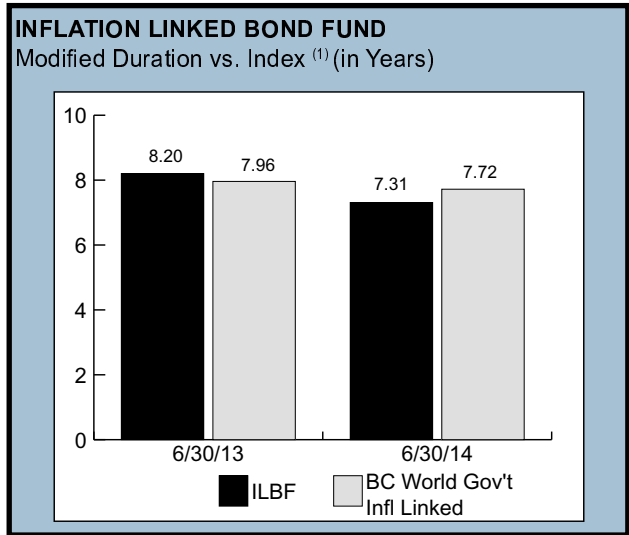
PENSION FUNDS MANAGEMENT DIVISION

Figure 6-1



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

Figure 6-2



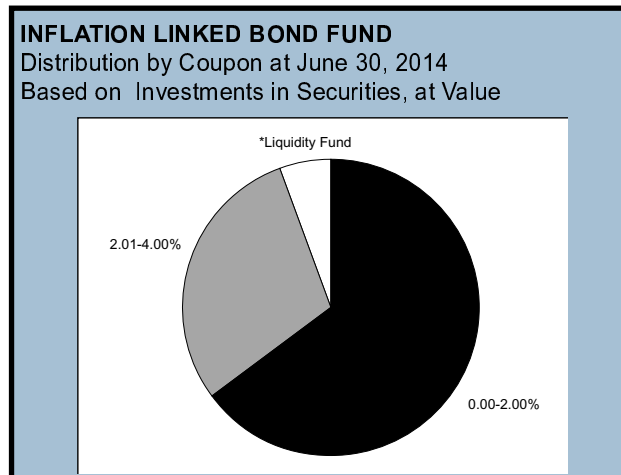
(1) Computed without the effect of Cash and other Net Assets.

Figure 6-3

INFLATION LINKED BOND FUND
Distribution by Country at June 30, 2014
Based on Investments in Securities, at Value

	BC World Gov't		Variance
	ILBF	Infl Linked	
U.S.	92.9%	45.2%	47.7%
U.K.	1.5%	29.9%	-28.4%
France	0.0%	12.7%	-12.7%
Denmark	0.0%	0.3%	-0.3%
Germany	0.0%	4.2%	-4.2%
Canada	0.0%	2.7%	-2.7%
Japan	0.0%	1.8%	-1.8%
Sweden	0.0%	1.5%	-1.5%
Australia	0.0%	1.3%	-1.3%
New Zealand	0.0%	0.4%	-0.4%
Liquidity Fund	<u>5.6%</u>	<u>0.0%</u>	5.6%
TOTAL	100.0%	100.0%	

Figure 6-5



*Note: Ending weights

INFLATION LINKED BOND FUND
Distribution by Quality Rating at June 30, 2014
Based on Investments in Securities, at Value

AAA	93.0%
AA-1	1.4%
AA-2 to A-1	0.0%
A-2 to BAA-1	0.0%
Less than BAA-1	0.0%
Liquidity Fund ⁽¹⁾	5.6%
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, 2014
Based on Investments in Securities, at Value

0-3 Years	21.5%
3-5 Years	9.1%
5-7 Years	24.1%
7-10 Years	25.6%
10+ Years	14.1%
Liquidity Fund ⁽¹⁾	<u>5.6%</u>
Total	100.0%

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

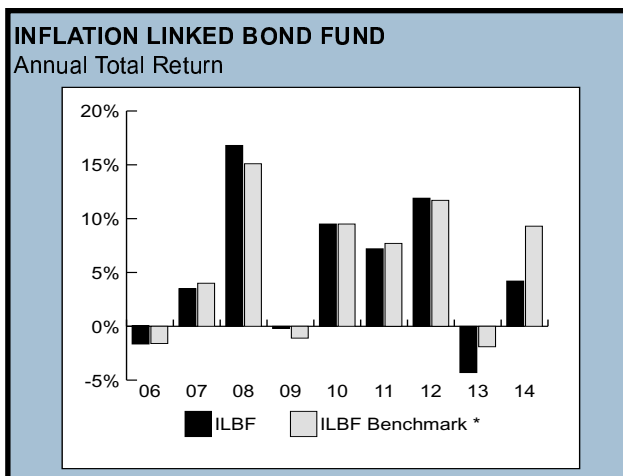
PENSION FUNDS MANAGEMENT DIVISION

Figure 6-7

	1 YR	3 YRS	5YRS
INFLATION LINKED BOND FUND			
Periods ending June 30, 2014			
Compounded, Annual Total Return (%)			
ILBF	4.17	3.76	5.66
BC World Gov't Infl Linked Bond Index ⁽¹⁾	9.27	5.52	6.75
Cumulative Total Return (%)			
ILBF	4.17	11.72	31.69
BC World Gov't Infl Linked Bond Index ⁽¹⁾	9.27	17.50	38.65

(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

	2014		2013		2012		2011		2010	
	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	37	35	33	34	29	33	31	31	26	29
Average Coupon	1.53%	1.22%	1.45%	1.39%	1.69%	1.70%	1.97%	1.99%	2.25%	2.19%
Average Maturity	8.68	8.57	8.79	8.70	9.32	9.27	9.07	9.09	9.15	9.17
Modified Duration	7.31	7.72	8.20	7.96	8.28	8.17	7.70	7.64	7.71	7.74
Average Quality	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Liquidity Fund ⁽¹⁾	5.6%	0.0%	3.6%	0.0%	1.0%	0.0%	3.9%	0.00%	3.8%	0.0%

(1) Ending Weights

Figure 6-10

INFLATION LINKED BOND FUND		
Investment Advisors at June 30, 2014		
Investment Advisor	Net Asset Value	% of Fund
Brown Brothers Harriman	\$871,718,406	80.81%
Hartford Investment Mgmt Co.	172,713,516	16.01%
Other⁽¹⁾	34,248,983	3.18%
TOTAL ILBF	\$1,078,680,905	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, 2014			
Security Name	Maturity	Market Value	%
U.S. Treasury Notes	7/15/2020	133,073,498	12.37%
U.S. Treasury Notes	7/15/2019	114,987,757	10.69%
U.S. Treasury Notes	1/15/2022	101,895,602	9.48%
U.S. Treasury Notes	1/15/2023	95,634,160	8.89%
U.S. Treasury Notes	1/15/2025	84,676,618	7.87%
U.S. Treasury Notes	7/15/2016	83,001,902	7.72%
U.S. Treasury Notes	7/15/2015	72,025,754	6.70%
U.S. Treasury Notes	1/15/2026	61,665,439	5.73%
U.S. Treasury Notes	4/15/2029	60,382,034	5.62%
U.S. Treasury Notes	2/15/2040	57,662,288	5.36%
Top Ten		865,005,052	80.43%

(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.

2014 emerging market debt fund

Fund Facts at June 30, 2014

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 the CRPTF given the different global economic environments.

Date of Inception: November 1, 2007

Total Net Position: \$1,513,676,980

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

Management Fees: \$3,507,531

Operating Expenses: \$470,898

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: 4 external

Expense Ratio: 0.27%

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 a diversified portfolio with an overall yield to maturity of 5.32% versus the benchmark yield to maturity of 5.86% (See Figure 7-11). The Fund is diversified across geographic regions with the highest concentration in Latin America, followed closely by Europe (See Figure 7-3). The average quality of EMDF was BAA-3 versus the benchmark average quality of BAA-2 (See Figure 7-11). The duration of the EMDF is slightly shorter than the benchmark.

Market Review

Strong performance was observed in all emerging markets asset classes for the twelve months ending June 30, 2014 despite interim volatility. The first half of the fiscal year experienced a sharp sell-off in all emerging markets debt securities, particularly in local currency debt. The market downturn was primarily driven by the uncertainty around the Federal Reserve Bank's asset purchase program and continuing global growth concerns. The sell-off was based on technicals rather than on any material deterioration in fundamentals. The market volatility of the second half of the period was driven by both technical and fundamental factors. Concerns over the timing of the U.S. central bank's reduction in its asset-buying program led to a rapid increase in U.S. Treasury yields and a broad-based sell off in fixed income asset prices. Fears of less accommodative U.S. monetary policy contributed to concerns about the attractiveness of emerging market assets. In addition, growth in emerging countries that did not meet market expectations, along with increasing political risks, adversely affected investor sentiment in broad emerging market debt mutual funds. In the third quarter of the fiscal year, credit spreads tightened and investor flows turned positive, buoying investment performance. For the fiscal year, external debt was the top performer in emerging markets debt, generating an 11.6% annual return. Local debt was up 3.9% for the same time period.

Performance Summary

For the fiscal year ended June 30, 2014, the EMDF generated a return of 6.99%, net of all expenses, which underperformed the customized benchmark return of 7.61% by 62 basis points. At June 30, 2014, the EMDF compounded net annualized total returns for the trailing three and five year periods were 4.48% and 10.25%, respectively. The EMDF underperformed its benchmark over the three-year period while outperforming during the five-year period. (See Figure 7-7).

The cumulative returns of the EMDF for the three-and-five year periods were 14.05% and 62.88%, respectively, exceeding benchmark returns over the five year period. (See Figure 7-7).

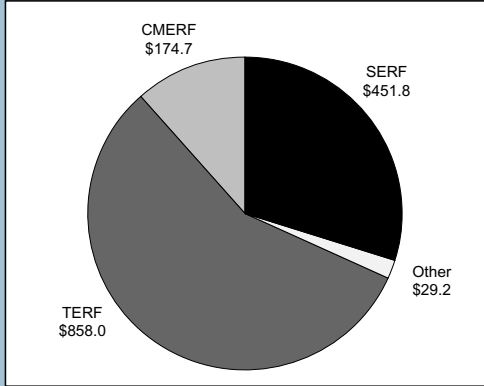
Risk Profile

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

PENSION FUNDS MANAGEMENT DIVISION

Figure 7-1

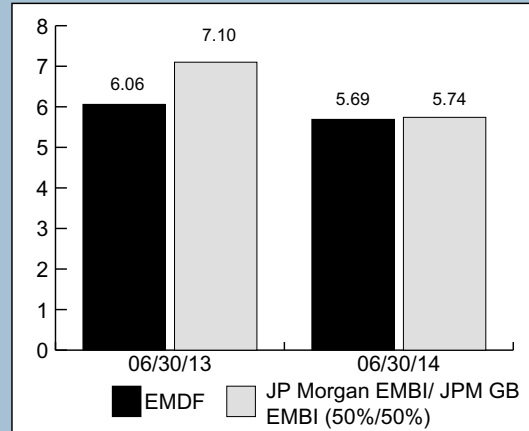
EMERGING MARKET DEBT FUND
Ownership Analysis at June 30, 2014 (\$ in millions)



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

Figure 7-2

EMERGING MARKET DEBT FUND
Modified Duration vs. Index ⁽¹⁾ (in Years)



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

Figure 7-3

EMERGING MARKET DEBT FUND
Distribution by Region at June 30, 2014

	EMDF	JP Morgan EMBI	Variance
Asia	20.6%	22.0%	-1.4%
Africa	6.3%	6.8%	-0.5%
Europe	31.8%	34.6%	-2.8%
Latin America	32.8%	31.4%	1.4%
Middle East	5.3%	5.2%	0.1%
United States ⁽¹⁾	<u>3.2%</u>	<u>0.0%</u>	3.2%
TOTAL	100.0%	100.0%	

(1) Holdings comprised mainly of Liquidity Fund Exposure.

Figure 7-4

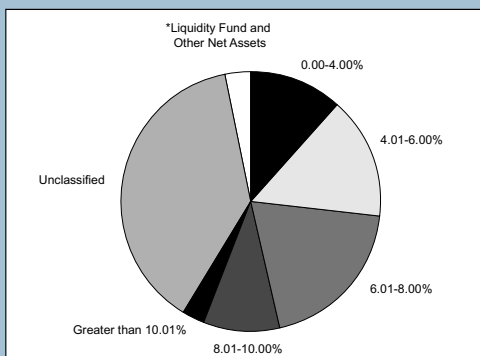
EMERGING MARKET DEBT FUND
Distribution by Quality Rating at June 30, 2014
Based on Investments in Securities, at Value

Aaa	0.2%
AA-1 to AA3	0.7%
A-1 to A-3	19.7%
BAA-1 to BAA3	47.7%
Less than BAA-3	23.0%
Not Rated ¹	8.7%
Total	100.0%

(1) Represents securities for which ratings are unavailable.

Figure 7-5

EMERGING MARKET DEBT FUND
Distribution by Coupon at June 30, 2014
Based on Investments in Securities, at Value



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

Figure 7-6

EMERGING MARKET DEBT FUND
Duration Distribution at June 30, 2014
Based on Investments in Securities, at Value

0-3 Years	21.4%
3-5 Years	17.7%
5-7 Years	22.4%
7-10 Years	20.3%
10+ Years	9.7%
Unknown ⁽¹⁾	5.3%
Liquidity Fund ⁽²⁾	<u>3.2%</u>
Total	100.0%

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

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

PENSION FUNDS MANAGEMENT DIVISION

Figure 7-7

EMERGING MARKET DEBT FUND

Periods ending June 30, 2014

	1 YR	3 YRS	5YRS
Compounded, Annual Total Return (%)			
EMDF	6.99	4.48	10.25
50% JP Morgan EMBI/ 50% JPM GBI EMBI	7.61	7.06	10.08
Cumulative Total Return (%)			
EMDF	6.99	14.05	62.88
50% JP Morgan EMBI/ 50% JPM GBI EMBI	7.61	22.71	61.66

Figure 7-8

EMERGING MARKET DEBT FUND

Annual Total Return

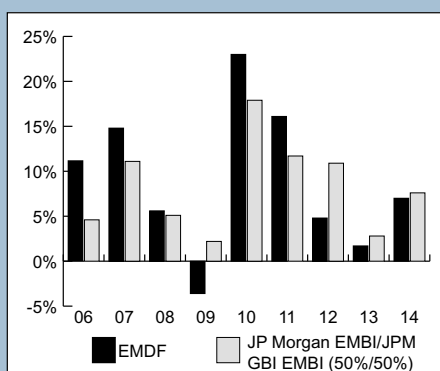


Figure 7-9

EMERGING MARKET DEBT FUND

Investment Advisors at June 30, 2014

Investment Advisor	Net Asset Value	% of Fund
Ashmore	\$569,945,751	37.65%
Stone Harbor Investment Partners	563,092,945	37.20%
Pyramis	181,604,636	12.00%
UBS Global Asset Management	190,901,748	12.61%
Other⁽¹⁾	8,131,900	0.54%
TOTAL EMDF	\$1,513,676,980	100.00%

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

Figure 7-10

EMERGING MARKET DEBT FUND

Ten Largest Holdings* at June 30, 2014

Security Name	Maturity	Market Value	%
Venezuela Gvmt Bond	10/13/2019	\$12,815,667	0.85%
Indonesia Treasury Bond	05/15/2022	9,996,822	0.67%
Letra Tesouro Nacional	01/01/2017	8,977,460	0.60%
Russian Gvmt Bond	03/31/2030	8,638,377	0.57%
Indonesia Government	03/15/2029	8,632,972	0.57%
Poland Gvmt Bond	01/25/2016	8,403,258	0.56%
Venezuela Gvmt Bond	02/26/2016	7,959,062	0.53%
Argentina Gvmt Bond	04/17/2017	7,912,970	0.53%
Mexican Bonds	12/13/2018	7,335,708	0.49%
Letra Tesouro Nacional	01/01/2016	7,155,616	0.48%
Top Ten		\$87,827,912	5.85%

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

Figure 7-11

EMERGING MARKET DEBT FUND

Comprehensive Profile for the Fiscal Year ending June 30,

	2014		2013		2012		2011		2010	
	EMDF	EMBI	EMDF	EMBI	EMDF	EMBI	EMDF	EMBI	EMDF	EMBI
Number of Issues	880	631	866	368	724	307	656	273	475	225
Yield to Maturity	5.32%	5.86%	6.66%	5.82%	6.57%	4.98%	6.65%	7.36%	6.33%	5.86%
Average Maturity	7.57%	8.60%	10.31%	12.52%	10.88%	12.40%	11.05%	12.03%	10.19%	12.40%
Modified Duration	5.69%	5.74%	6.06	7.10	7.00	7.30	7.13	6.96	6.01	7.09
Average Quality	Baa-3	Baa-2	Baa-2	Baa-2	Baa-3	Baa-2	Baa-3	Baa-3	Baa-3	Baa-3
*Other	3.2%	0.00%	2.0%	0.0%	4.5%	0.0%	4.5%	0.0%	6.7%	0.0%

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

2014 high yield debt fund

Fund Facts at June 30, 2014

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: \$1,588,419,920

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

Management Fees: \$4,560,637

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

Operating Expenses: \$576,165

Number of Advisors: 6 external

Expense Ratio: 0.36%

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 securities, predominantly in the U.S. The Fund's average quality rating was B-1, matching the average quality of the benchmark (See Figure 8-10). As of June 30, 2014, the HYDF's duration was 5.42 years versus the benchmark duration of 5.12 years (See Figure 8-3).

Market Review

The high yield market outperformed all other fixed income markets in Fiscal Year 2014. High yield spreads tightened 151 basis points to end the year at 378 basis points above U.S. Treasuries. Corporate fundamentals exceeded expectations while default rates remained low. Market volatility was primarily caused by interest rate volatility due to concerns over U.S. monetary and fiscal policy, fluctuating global growth expectations and increased geopolitical risk. As investors searched for yield, CCC rated bonds outperformed both BB and B rated securities for the period, although there was little dispersion between these credit quality sub-indices in the first half of the fiscal year when the risk-on trade diminished. Subsequently, as concern over interest rate volatility subsided during the second half of the year, longer duration bonds outperformed shorter duration bonds. Publishing and technology were the top performing sectors while several consumer sectors including restaurants and retail stores underperformed. The new issue market remained healthy with refinancing being the primary use of proceeds.

Performance Summary

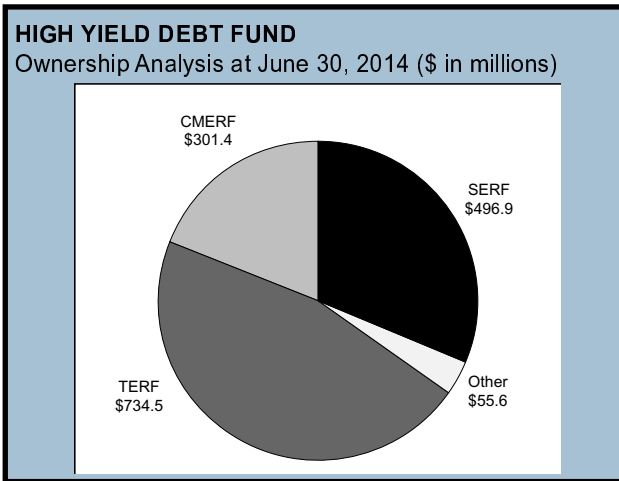
For the fiscal year ended June 30, 2014, the HYDF generated a return of 12.24%, net of all expenses, which outperformed the Citigroup U.S. High Yield Market Capped Index return of 11.25% by 99 basis points. As of June 30, 2014, the HYDF compounded net annualized total returns for the trailing three and five year periods were 9.04% and 13.40%, respectively. The HYDF underperformed its benchmark over the three- and five-year periods (See Figure 8-8).

The cumulative net returns of the HYDF for the three and five year periods were 29.63% and 87.52%, respectively.

Risk Profile

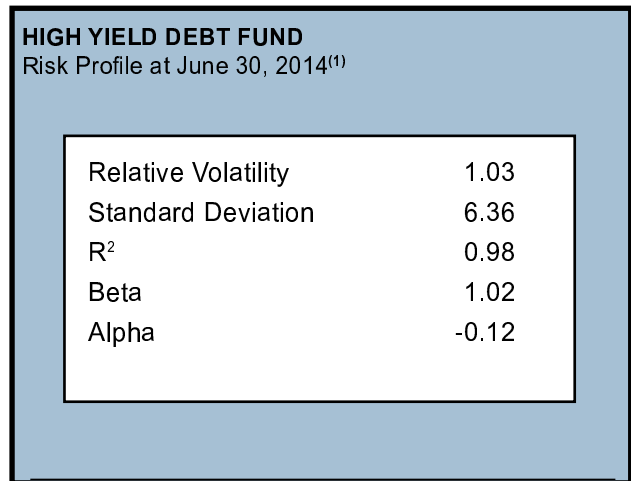
Given the HYDF's investment policies and objectives, the Fund is exposed to several forms of risk. These risks include, but are not limited to, credit default risk, interest rate risk, liquidity risk, reinvestment risk and inflation risk. In addition, the Fund is occasionally exposed to political, economic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

Figure 8-1



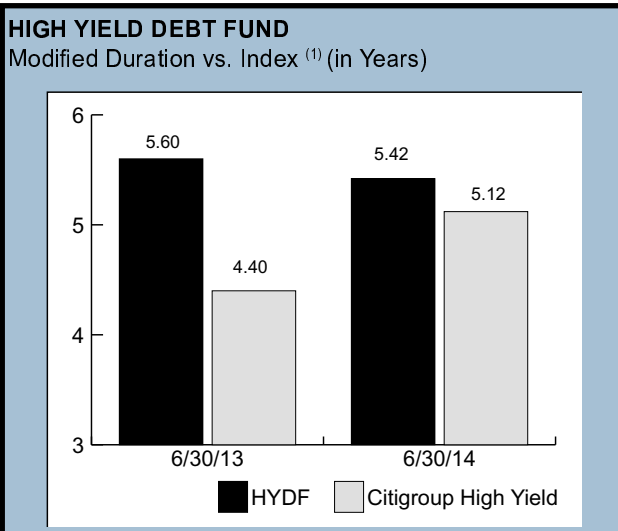
TERF - Teachers' Retirement Fund
SERF - State Employees' Retirement Fund
CMERF - Connecticut Municipal Employees' Retirement Fund

Figure 8-2



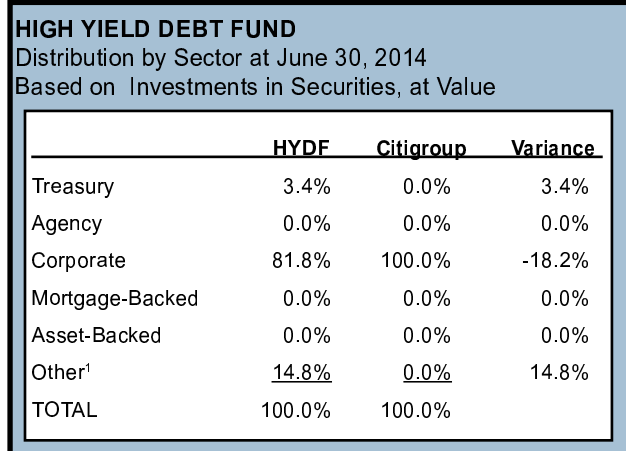
(1) Based upon returns over the last five years.

Figure 8-3



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

Figure 8-4



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

PENSION FUNDS MANAGEMENT DIVISION

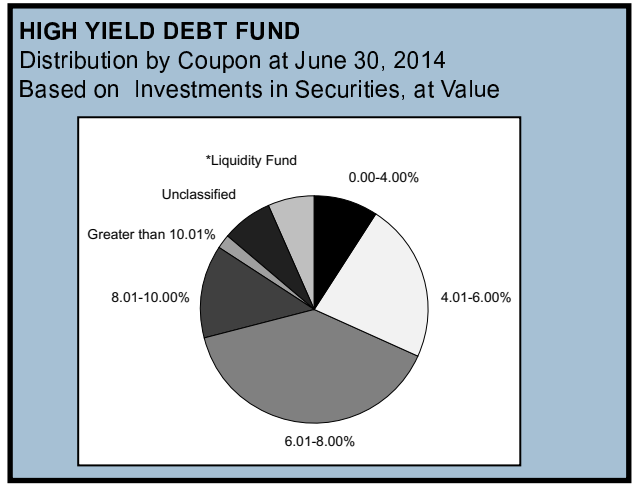
Figure 8-5

HIGH YIELD DEBT FUND
Distribution by Quality Rating at June 30, 2014
Based on Investments in Securities, at Value

AAA to A3	3.5%
BAA1 to BAA3	3.0%
BA1 to BA3	23.0%
B1 to B3	45.4%
CAA1 to CAA3	16.2%
CA to C	0.2%
Not Rated ⁽¹⁾	8.7%
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, 2014
Based on Investments in Securities, at Value

0-3 Years	19.0%
3-5 Years	30.7%
5-7 Years	25.1%
7-10 Years	7.1%
10+ Years	3.2%
Unknown ⁽¹⁾	8.3%
Liquidity Fund ⁽²⁾	6.6%
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.

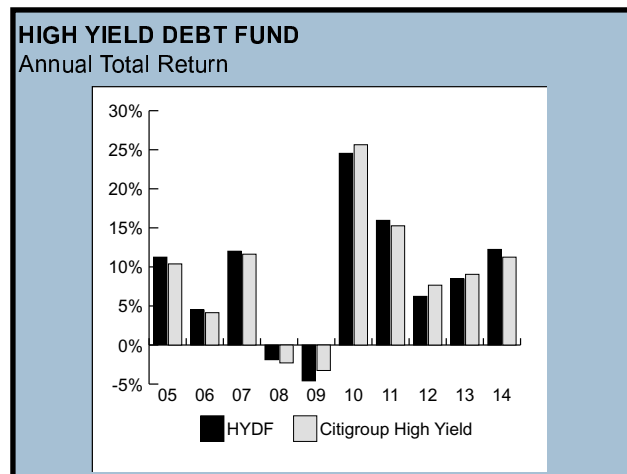
Figure 8-8

HIGH YIELD DEBT FUND
Periods ending June 30, 2014

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
HYDF	12.24	9.04	13.40	8.54*
Citigroup High Yield Market Capped Index	11.25	9.35	13.52	8.50
Cumulative Total Return (%)				
HYDF	12.24	29.63	87.52	126.91*
Citigroup High Yield Market Capped Index	11.25	30.75	88.52	126.20

*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,

	2014		2013		2012		2011		2010	
	HYDF	Citigroup	HYDF	Citigroup	HYDF	Citigroup	HYDF	Citigroup	HYDF	Citigroup
Number of Issues	884	2,183	740	1,752	683	1,621	659	1,540	679	1,394
Average Coupon	5.88%	7.08%	6.90%	7.60%	7.60%	8.20%	7.90%	8.30%	8.10%	8.34%
Yield Maturity	5.13%	5.73%	6.90%	7.00%	7.50%	7.50%	13.60%	7.50%	9.11%	8.95%
Average Maturity	5.99	5.04	7.30	5.30	7.50	6.30	6.90	5.60	6.86	5.71
Effective Duration	5.42	5.12	5.60	4.40	4.60	4.00	5.00	4.30	4.93	4.37
Average Quality	B-1	B-1	B-2	B-2	B-2	B-2	B-2	B-2	B-2	B-2
Liquidity Fund	6.6%	0.0%	6.1%	0.0%	4.2%	0.0%	3.2%	0.0%	4.0%	0.0%

*Note: Ending Weights

Figure 8-11

HIGH YIELD DEBT FUND

Investment Advisors at June 30, 2014

Investment Advisor	Net Asset Value	% of Fund
Loomis Sayles & Co., Inc.	\$615,923,157	38.78%
Stone Harbor Investment Partners	307,448,560	19.36%
Shenkman Capital Management	317,731,457	20.00%
Oaktree Capital Management, L.L.C.	300,193,665	18.90%
Carlyle GMS Finance, Inc.	17,573,830	1.10%
NF Investment Corp.	12,348,572	0.78%
Other ⁽¹⁾	17,200,679	1.08%
TOTAL HYDF	\$1,588,419,920	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, 2014

Security Name	Maturity	Market Value	%
U.S. Treasury NTS	3/31/2016	28,805,472	1.81%
Seadrill Partners 2/14 TL	2/21/2021	12,104,282	0.76%
Vertex Pharmaceuticals	Common Stock	11,796,465	0.74%
Sprint Capital Corp	11/15/2028	10,726,200	0.67%
Morgan Stanley	11/16/2018	9,635,415	0.60%
Republic of Indonesia 144A	1/15/2024	9,492,250	0.60%
CCO Holdings LLC	1/15/2024	9,233,175	0.58%
Visant Corp	10/1/2017	8,390,635	0.53%
QWEST Capital Funding	7/15/2028	7,546,050	0.47%
Tenet Healthcare Corp	11/15/2031	7,342,358	0.46%
Top Ten		115,072,302	7.22%

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

2014 developed markets international stock fund

Fund Facts at June 30, 2014

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: \$6,135,144,741

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

Management Fees: \$20,995,938

Benchmark: Morgan Stanley Capital International Europe, Australasia and Far East Investable Market Index (MSCI EAFE IMI) ⁽¹⁾ 50% hedged

Operating Expenses: \$2,444,024

Number of Advisors: 9 external

Expense Ratio: 0.40%

Description of the Fund

DMISF assets are allocated across foreign developed equity markets to provide diversification by country, market capitalization and style. Non-U.S. equities are issued by companies domiciled outside of the United States. The DMISF may invest up to 30% of assets opportunistically to take advantage of shifts in the investment landscape, or opportunities that offer diversification and/or risk-return benefits within non-U.S. 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 (19.6%) and the United Kingdom (17.7%) (see Figure 9-5). The portfolio's largest country overweight positions relative to the benchmark were Germany (10.6% vs. the benchmark's 8.0%) and the Netherlands (4.8% vs. the benchmark's 2.6%). The largest underweights were South Korea (0.2% vs. the benchmark's 4.7%) and the United Kingdom (17.7% vs. the benchmark's 19.5%).

Market Review

Equities in developed international markets posted solid returns for the fiscal year, largely driven by strong returns in Europe. After nine consecutive quarters of economic contraction, Spain's gross domestic product (GDP) growth turned positive in the first quarter of the fiscal year, causing the local market to rise sharply, returning over 57% for the fiscal year. This, coupled with strong markets in Italy in anticipation of reforms under a new prime minister, helped to offset continued fears that the Eurozone had not yet reversed its anemic economic growth trends, high unemployment, and risk of deflation. At the same time, investors took comfort that Angela Merkel's reelection in Germany would help to ensure a path toward Eurozone stabilization even as geopolitical risks intensified in Eastern Europe. In Japan, markets were volatile in expectation of slower economic growth in response to a consumption tax hike implemented in April, 2014 to address the country's expanding national debt and dislodge Japan from 15 years of deflation. In terms of currency returns during the year, the strongest gains were posted by the New Zealand dollar and the British pound, driven by strong economic growth, while the weakest currency was the Japanese yen.

Overall, the MSCI EAFE IMI returned 23.57% for the fiscal year, with value stocks significantly outperforming growth stocks by over 600 basis points during the same period. In addition, small capitalization stocks within the index also outperformed, returning 29.08% for the year. On a sector basis, the strongest performer was energy, which returned 34% for the year. Telecommunication services, utilities, health care, and industrials also outperformed. Consumer staples was the weakest sector, returning 18.2%, followed by information technology, consumer discretionary, financials and materials.

Performance Summary

For the fiscal year ended June 30, 2014, the DMISF generated a return of 22.31%, net of all expenses, which outperformed the benchmark⁽¹⁾ return of 21.24% by 107 basis points (See Figure 9-3). As of June 30, 2014, the DMISF compounded net annualized total returns, for the trailing three and five year periods were 9.55% and 13.06%, respectively. The returns outperformed the DMISF's benchmark for the time periods listed.

The cumulative investment performances of the DMISF for the three and five year periods were 31.46% and 84.76%, respectively.

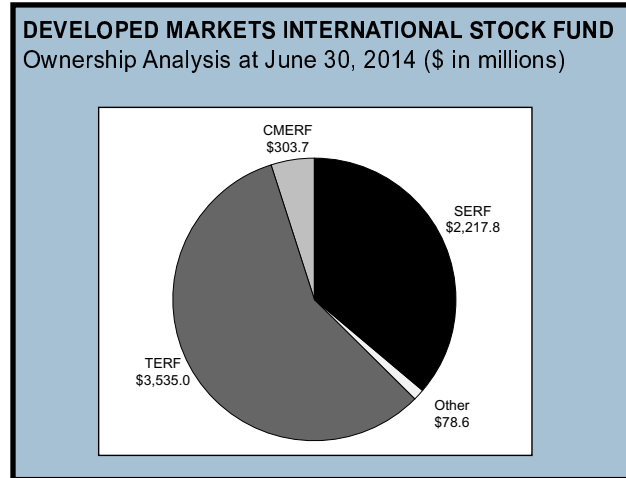
Risk Profile

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 1.03. On a risk adjusted basis, the Fund has generated excess return of 1.04, 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; however, this agreement was signed after the close of Fiscal Year 2014. As a result the CRPTF used the prior benchmark, S&P/Citigroup Broad Market Index Europe, Pacific and Asia Composite Index 50% Hedged, for fiscal year end 2014 reporting,

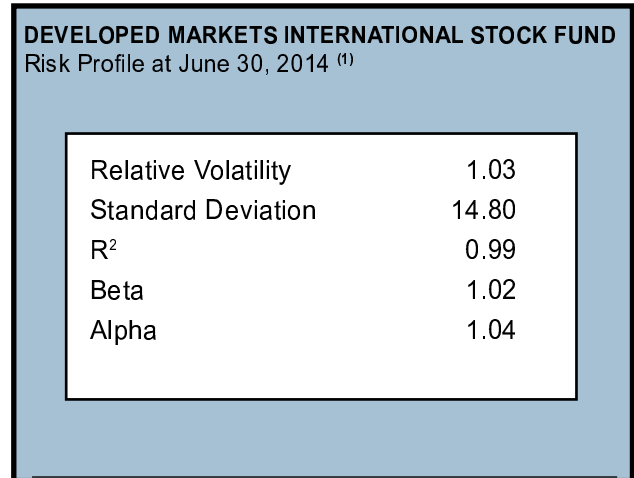
PENSION FUNDS MANAGEMENT DIVISION

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.

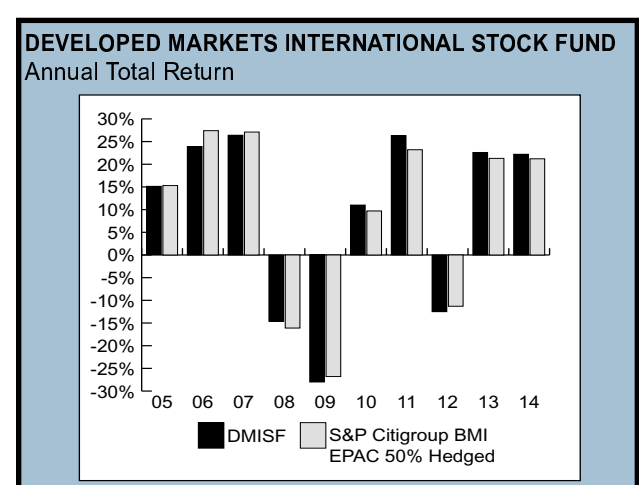
Figure 9-3

DEVELOPED MARKETS INTERNATIONAL STOCK FUND
Periods ending June 30, 2014

	1 YR	3 YRS	5YRS	10YRS
Compounded, Annual Total Return (%)				
DMISF	22.31	9.55	13.06	7.37*
S&P/Citigroup BMI				
EPAC 50% Hedged	21.24	9.29	12.02	7.30
Cumulative Total Return (%)				
DMISF	22.31	31.46	84.76	103.65*
S&P/Citigroup BMI				
EPAC 50% Hedged	21.24	30.53	76.39	102.35

*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, 2014 ⁽¹⁾			
	DMISF % of Net Assets 6/30/14	Benchmark % of Net Assets 6/30/14	Variance
Japan	19.6	21.4	-1.8
United Kingdom	17.7	19.5	-1.8
Korea	0.2	4.7	-4.5
Hong Kong	2.5	2.9	-0.4
United States	0.1	0.0	0.1
France	9.7	8.7	1.0
Germany	10.6	8.0	2.6
Switzerland	7.6	7.8	-0.2
Australia	5.5	7.0	-1.5
China	0.2	0.0	0.2
Netherlands	4.8	2.6	2.3
Italy	2.9	2.7	0.2
Spain	3.3	3.3	0.0
Sweden	3.0	3.0	0.0
Singapore	1.6	1.5	0.1
Canada	1.8	0.0	1.8
Turkey	0.0	0.0	0.0
Other	<u>8.9</u>	<u>6.9</u>	2.0
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, 2014		
Investment Advisor	Net Asset Value	% of Fund
Index	\$2,288,713,323	37.31%
State Street Global Advisors	2,288,713,323	37.31%
Core	1,617,551,941	26.37%
AQR Capital Management	859,232,583	14.01%
Acadian Asset Management	618,494,466	10.08%
Progress	139,824,892	2.28%
Active-Growth	826,031,206	13.46%
MFS Institutional Advisors, Inc.	826,031,206	13.46%
Active-Value	517,423,907	8.43%
Grantham, Mayo, Van Otterloo	517,423,907	8.43%
Small Cap	867,728,539	14.14%
Schroder Investment Mgmt.	298,208,419	4.86%
Dimensional Fund Advisors	276,379,926	4.50%
William Blair & Company	293,140,194	4.78%
Other ¹	17,695,825	0.29%
TOTAL DMISF	\$6,135,144,741	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, 2014			
Security Name	Country	Market Value	%
Nestle SA REG	Switzerland	\$80,402,318	1.32%
Roche Holding AG Genusschein	Switzerland	71,225,901	1.17%
HSBC Holdings PLC	United Kingdom	68,280,323	1.12%
Bayer AG REG	Germany	66,346,006	1.09%
Total SA	France	61,747,268	1.01%
BP PLC	United Kingdom	50,395,165	0.83%
Novartis AG REG	Switzerland	49,506,200	0.81%
Royal Dutch Shell PLC A SHS	Netherlands	47,257,684	0.77%
Astrazeneca ORD USD 0.25	United Kingdom	43,514,571	0.71%
Commonwealth Bank of Australia	Australia	40,832,595	0.67%
Top Ten		\$579,508,031	9.50%

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

2014 emerging markets international stock fund

Fund Facts at June 30, 2014

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

Date of Inception: November 1, 2007

Total Net Position: \$2,655,076,804

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

Management Fees: \$15,463,550

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

Operating Expenses: \$2,110,838

Number of Advisors: 3 external

Expense Ratio: 0.70%

Description of the Fund

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

Portfolio Characteristics

As of fiscal year-end 2014, 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 Brazil (13.7% versus the benchmark's 10.2%) and Russia (7.8% versus the benchmark's 4.9%). Underweight positions in the Fund include South Africa (2.6% vs. the benchmark's 7.5%), Taiwan (9.2% vs. the benchmark's 13.3%), and Malaysia (1.4% vs. the benchmark's 4.0%) (see Figure 10-6).

Market Review

For the twelve months ending June 30, 2014, the emerging equity markets generated solid returns of 14.31%. Beneath this strong performance, however, was a significant amount of volatility throughout the year as well as notable differences between individual country returns. Early in the year, investors were jittery in anticipation of the U.S. Federal Reserve tapering its monetary stimulus program and the potential impact on global economic recovery. Uncertainty continued as growth slowed in China and as Argentina suffered significant currency devaluation after the central bank announced its decision to stop supporting the peso. This led to some contagion across other emerging market currencies, which were seen as vulnerable to foreign capital flows. Despite this, signs of continued easy monetary policy from the world's central banks, and abating fears about slower Chinese growth, caused a reversal of the selloff, leading markets to end the fiscal year well into positive territory.

In Asia, India stood out as a strong performer following a sweep in national elections which gave its newly elected prime minister, Narendra Modi, a strong mandate for implementing economic reforms. In Latin America, Mexico and Brazil were strong performers as Mexican President Pena Nieto successfully passed a number of landmark reforms and as optimism increased in Brazil with speculation that elections in October, 2014 would usher in more pro-business leadership. Not surprisingly, volatility was high in Eastern Europe as a result of Moscow's intervention in Ukraine, its annexation of Crimea, and U.S. and European led sanctions on Russia following the downing of a commercial passenger jet. While Poland and the Czech Republic were the strongest performers in the region, Russia managed to post positive returns by the end

of the fiscal year. On a sector basis, the strongest performer was information technology, which returned 36.1% while the consumer staples sector was the weakest at 0.9%.

Performance Summary

For the fiscal year ended June 30, 2014, the EMISF generated a return of 11.50%, net of all expenses, which underperformed the MSCI EM IMI return of 14.31% by 281 basis points (See Figure 10-4). As of June 30, 2014, the EMISF compounded net annualized total returns, for the trailing three and five year periods were -0.33% and 9.79%, respectively. The returns underperformed the EMISF's benchmark for the time periods listed.

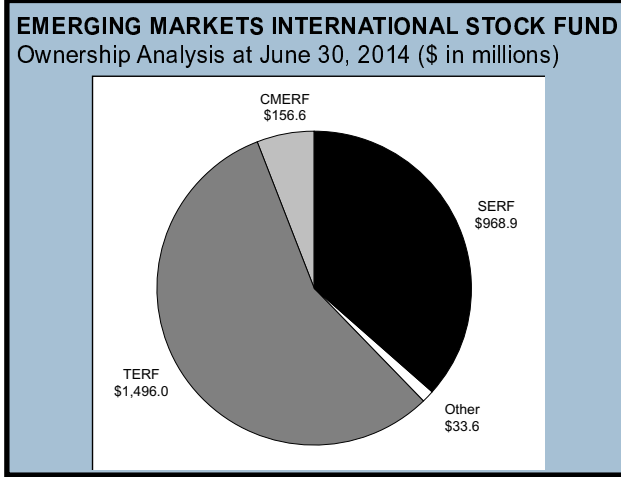
The cumulative returns of the EMISF for the three and five year periods were -0.99% and 59.54%, respectively.

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 in line with that of the benchmark as evidenced by a relative volatility of 1.00. In addition, its high R2 of 0.99 demonstrates a strong overall correlation with the performance of the index. The EMISF's annualized alpha over the five-year period, or risk adjusted return in excess of that earned by the benchmark, was 0.27 (see Figure 10-2). This indicates that the Fund has outperformed the benchmark on a five year basis when adjusted for risk.

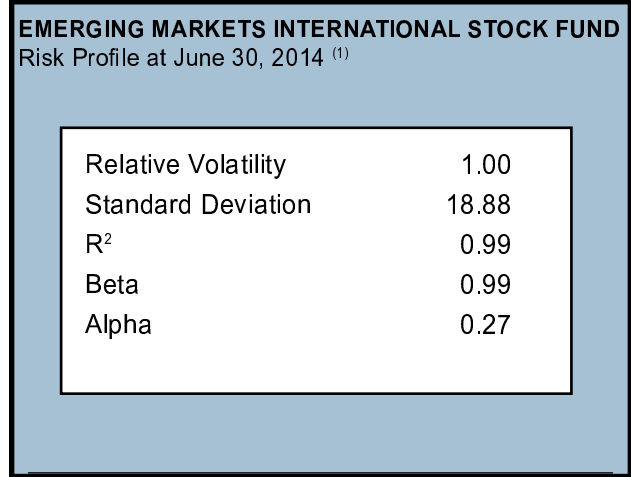
PENSION FUNDS MANAGEMENT DIVISION

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 2014 Economic Sector vs. Index (%)

	EM ISF	MSCI Index	Variance
Energy	13.0	9.7	3.3
Materials	7.2	9.5	-2.3
Industrials	2.8	7.6	-4.8
Consumer Discretionary	9.3	10.2	-0.9
Consumer Staples	7.2	8.3	-1.1
Health Care	1.7	2.3	-0.6
Financials	28.5	25.8	2.7
Information Technology	16.7	16.9	-0.2
Telecommunication Services	7.5	6.3	1.2
Utilities	3.2	3.4	-0.2
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	0.1	0.0	0.1
Liquidity Fund	<u>2.8</u>	<u>0.0</u>	2.8
	100.0	100.0	

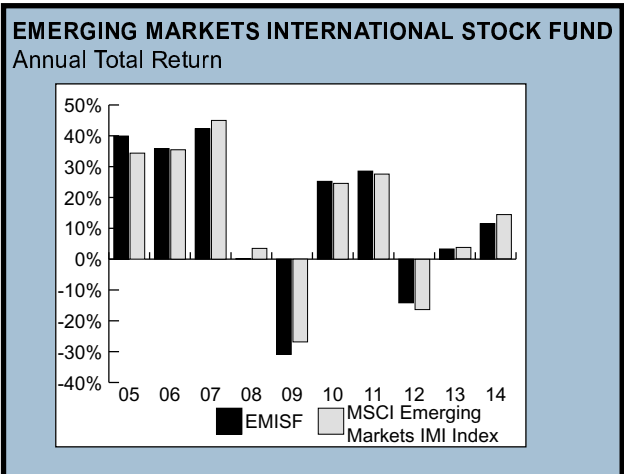
Figure 10-4

EMERGING MARKETS INTERNATIONAL STOCK FUND
Periods ending June 30, 2014

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
EMISF	11.50	-0.33	9.79	11.53*
MSCI Emerging Markets IMI Index	14.31	-0.27	9.52	12.16
Cumulative Total Return (%)				
EMISF	11.50	-0.99	59.54	197.84*
MSCI Emerging Markets IMI Index	14.31	-0.81	57.57	214.91

*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, 2014 ⁽¹⁾		
	EMISF Percent of Net Assets 6/30/14	Benchmark Percent of Net Assets 6/30/14
Brazil	13.7%	10.2%
Korea	13.5	15.6
Hong Kong	7.0	0.0
Russia	7.8	4.9
China	10.6	17.8
Taiwan	9.2	13.3
United States	2.8	0.0
Mexico	4.1	4.8
Thailand	3.4	2.4
South Africa	2.6	7.5
Turkey	3.5	1.7
Indonesia	2.1	2.6
Malaysia	1.4	4.0
India	9.1	6.8
Philippines	1.9	1.0
United Kingdom	1.5	0.0
Other Countries	5.8	7.4
Total	100.0%	100.0%

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

Figure 10-7

EMERGING MARKETS INTERNATIONAL STOCK FUND		
Investment Advisors at June 30, 2014		
Investment Advisor	Net Asset Value	% of Fund
Grantham, Mayo, Van Otterloo	\$970,214,988	36.54%
Aberdeen Asset Management	708,986,279	26.70%
Schroders Investment Mgt	941,078,746	35.45%
Other ⁽¹⁾	34,796,791	1.31%
TOTAL EMISF	2,655,076,804	100.00%

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

Figure 10-8

EMERGING MARKETS INTERNATIONAL STOCK FUND			
Ten Largest Holdings* at June 30, 2014			
Security Name	Country	Market Value	%
Samsung Electronic Co LTD	Republic of Korea	85,122,565	3.22%
Taiwan Semiconductor Manufacture	Taiwan	72,938,167	2.76%
China Mobile LTD	Hong Kong	64,027,735	2.42%
China Construction Bank Corp	China	59,328,611	2.24%
Gazprom OAO SPON ADR	Russian Federation	47,112,358	1.78%
Tencent Hldgs Limi HKD 0.00002	China	44,364,938	1.68%
AIA Group LTD	Hong Kong	38,531,118	1.46%
Lukoil OAO-SPON ADR	Russian Federation	38,529,430	1.45%
Samsung Electronics Co LTD 144A	Republic of Korea	38,282,470	1.45%
Industrial & Commercial Bank	China	36,772,988	1.39%
Top Ten		\$525,010,380	19.85%

* 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.

2014 real estate fund

Fund Facts at June 30, 2014

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: \$1,510,315,200

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

Management Fees ⁽¹⁾: \$4,423,275

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

Capitalized and Netted Fees: \$12,360,199

Operating Expenses: \$3,853,879

Expense Ratio: 0.55%

Number of Investment Partnerships: 33

(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, publicly traded real estate securities, or real estate related debt and mortgages. The REF consists of a number of investment strategies and externally managed commingled investment vehicles, including open-end funds, separate accounts, limited partnerships and/or other indirect ownership structures managed by professional real estate investment managers.

Portfolio Characteristics

As of June 30, 2014, the portfolio was approximately 51.14% invested in Close-End fund vehicles, 34.64% in Open-End funds, and 14.22% 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, 2014, the REF allocation to sub-strategies was 44.20% to Core, 13.10% to Value-Add, 37.40% to Opportunistic and 5.30% to Liquidity Fund. The portfolio is well diversified geographically. While the NCREIF 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 relative to the Index.

Market Review

Throughout fiscal year 2014, underlying positive trends in the economy and labor markets reflected steady growth in commercial real estate performance. Inflation inched up over 2% during the last quarter of the fiscal year, helping to justify the expectation of continued growth in property-level income. A strong job market supported growth in commercial real estate revenue with an average of over 200,000 jobs added per month during the last half of fiscal year 2014.

Some inflation is usually supportive for commercial real estate as owner's equivalent rent is a component of the Consumer Price Index, and rents generally tend to rise with consumer prices over time. Interest rates remained low in the fiscal year, and many investors took advantage of this to refinance and lower their weighted average cost of capital on a portfolio-wide basis. Investors, both foreign and domestic, continued to favor the relative safety of U.S. government securities in the face of global uncertainty and steady reductions in quantitative easing at the Federal Reserve. This in turn bolstered commercial U.S. real estate markets, as U.S. investors sought the spread between real estate and U.S. government securities, and as foreign capital adopted a "flight to safety" strategy.

During the fiscal year ended June 2014, commercial and multifamily real estate transactions were nearly \$395 billion, an increase of 19% over the prior twelve-month period. In that time frame, the volume of industrial and office transactions increased by 28% and 31% (respectively) over the previous twelve-month period. Simultaneously, apartment transaction volume declined by 8% while retail transaction volume increased by 41%.

Performance Summary

For Fiscal Year 2014 the Fund generated a total return of 10.66%, net of all expenses, slightly underperforming its benchmark NCREIF-NPI, which posted a gross return of 11.18%. The one-year return reflects an ongoing positive trend in the REF portfolio, which can be attributed to accretive commitments to open-ended core and core-plus funds, as well as a number of new value-add strategies in the REF, 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 9.36%, 3.93%, and 3.63%, respectively (See Figure 11-8). Longer-term portfolio returns continue to lag the benchmark, with five and ten year returns underperforming by 396 basis points and 503 basis points, respectively.

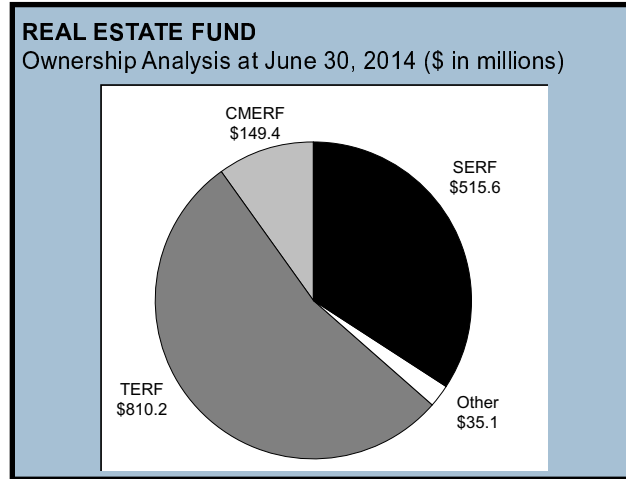
Risk Profile

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 volatility in excess of NPI, as expected (See Figure 11-2) due to allocations to higher risk sectors, and the leverage utilized in portfolio strategies. The REF portfolio allocates among three risk sectors (core, value-add, and opportunistic), two of which are higher risk than NPI. Given that, the overall REF is expected to have a standard deviation above that of NPI. 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.

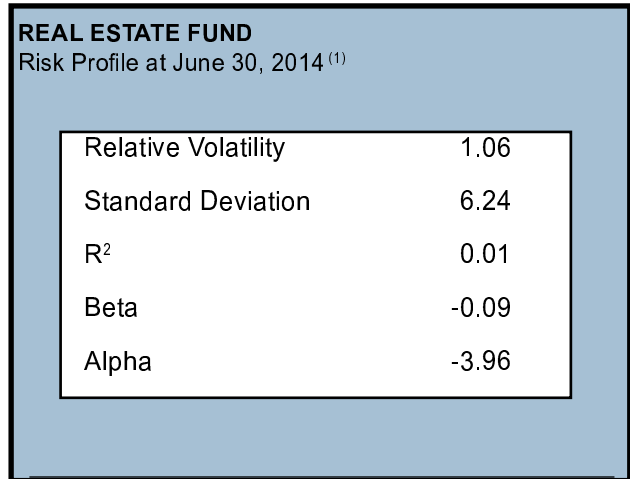
PENSION FUNDS MANAGEMENT DIVISION

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
6/30/2014	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
6/30/2005	11	304,926,401	394,855,227

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

Figure 11-4

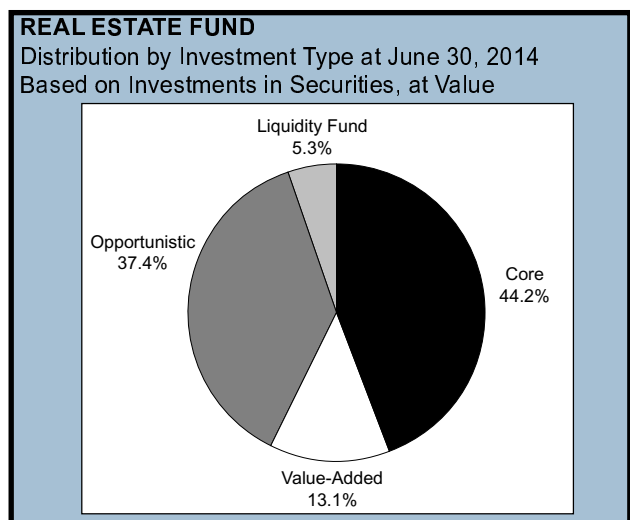
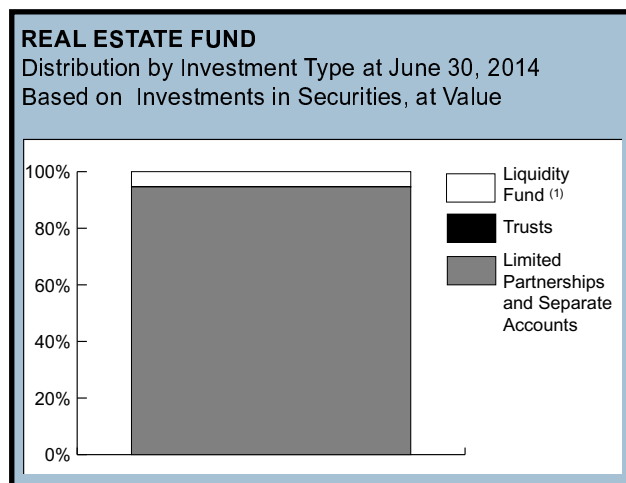


Figure 11-5



(1) Includes Liquidity Fund and other assets.

Figure 11-6

REAL ESTATE FUND
Distribution by Geographic Location at June 30, 2014
Based on Investments in Securities, at Value

	REF	NCREIF	Variance
East	26.8%	34.1%	-7.3%
Midwest	6.5%	9.5%	-3.0%
South	20.7%	21.2%	-0.5%
West	28.2%	35.2%	-7.0%
International	12.5%	0.0%	12.5%
Liquidity Fund & other net assets	<u>5.3%</u>	<u>0.0%</u>	5.3%
	100.0%	100.0%	

PENSION FUNDS MANAGEMENT DIVISION

Figure 11-7

REAL ESTATE FUND

Diversification by Property Type at June 30, 2014
Based on Investments in Securities, at Value

	REF	NCREIF	Variance
Apartment	24.4%	24.8%	-0.4%
Industrial	9.0%	13.7%	-4.7%
Office	22.2%	36.5%	-14.3%
Retail	13.3%	23.0%	-9.7%
Hotel	9.5%	2.0%	7.5%
Liquidity Fund & Other Net Assets ⁽¹⁾	<u>21.6%</u>	<u>0.0%</u>	21.6%
	100.0%	100.0%	

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

Figure 11-8

REAL ESTATE FUND

Periods ending June 30, 2014

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
REF	10.66	9.36	3.93	3.63
NCREIF Property	11.18	11.69	7.89	8.66
Cumulative Total Return (%)				
REF	10.66	30.80	21.23	42.79
NCREIF Property	11.18	39.35	46.18	129.40

Figure 11-9

REAL ESTATE FUND

Annual Total Return

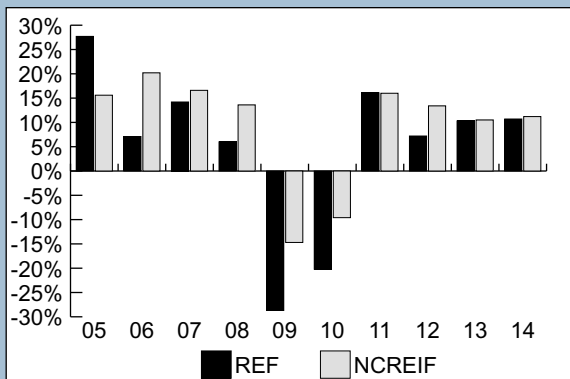
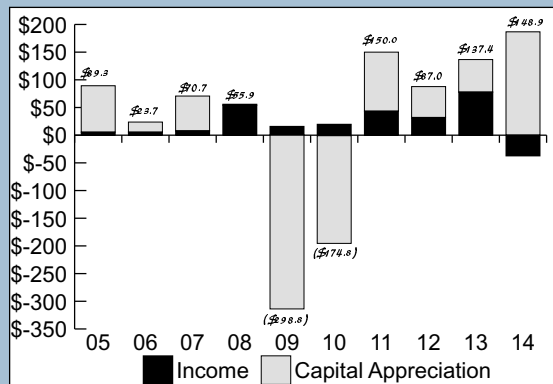


Figure 11-10

REAL ESTATE FUND

Components of Total Return (\$ in millions)



PENSION FUNDS MANAGEMENT DIVISION

Figure 11-11

REAL ESTATE FUND		
Funds at June 30, 2014		
Fund	Net Asset Value	% of Fund
AEW Partners III	\$8,289,852	0.55%
American Realty Advisors	51,582,990	3.41%
Apollo Real Estate	2,080,223	0.14%
Blackstone Real Estate Partner Europe III LP	49,536,399	3.28%
Blackstone Real Estate Spec Sit II LP	29,700,864	1.97%
Blackstone Real Estate VI LP	143,436,296	9.50%
Canyon Johnson Urban Fund II	14,942,833	0.99%
Canyon Johnson Urban Fund III	33,452,758	2.21%
Capri Select Income II LLC	5,726,521	0.38%
Colony Realty Partners II LP	18,893,700	1.25%
Cornerstone Patriot Fund LP	166,808,144	11.04%
Covenant Apartment Fund V LP	14,599,610	0.97%
Covenant Apartment Fund VI	14,517,312	0.96%
Cypress Acquisition Prtnrs Retail FD LP	11,643,532	0.77%
Gerding Edlen Green Cities II	15,939,824	1.05%
Hart Realty Advisors	151,568,816	10.04%
IL & FS India Realty Fund II LLC	41,481,391	2.75%
Lone Star Real Estate Fund II LP	41,992,098	2.78%
Macfarlane Urban Real Estate Fund II LP	16,533,765	1.09%
New Boston IV	836,324	0.05%
Prime Property Fund LLC	239,822,285	15.88%
Rockwood Capital Fund V	1,907,350	0.13%
Rockwood Capital VI Limited Partnership	9,872,714	0.65%
Rockwood Capital VII Limited Partnership	22,126,628	1.46%
Starwood Opportunity Fund VII	36,503,093	2.42%
Starwood Opportunity Fund VIII	47,710,287	3.16%
Starwood Opportunity Fund IX	39,117,706	2.59%
UBS-Trumbull Property Income	25,000,000	1.66%
UBS-Trumbull Property G&I (TPG)	10,000,000	0.66%
Urban Strategy America Fund LP	41,208,493	2.73%
USAA Eagle RE Fund	65,406,641	4.33%
Walton Street Real Estate	23,209,892	1.54%
WLR IV PPIP Co Invest LP	33,620,725	2.23%
Other ⁽¹⁾	81,246,134	5.38%
TOTAL REF	\$1,510,315,200	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, 2014			
Property Name	Type	Market Value	%
Prime Property Fund LLC	Core	\$239,822,285	15.88%
Cornerstone Patriot Fund LP	Core	166,808,144	11.05%
Hart Realty Advisors	Core	151,568,816	10.04%
Blackstone Real Estate VI LP	Opportunistic	143,436,296	9.50%
USAA Eagle RE Fund	Core	65,406,641	4.33%
American Realty Advisors	Core	51,582,990	3.42%
Blackstone RE Partner Europe III LP	Opportunistic	49,536,399	3.28%
Starwood Opportunity Fund VIII	Opportunistic	47,710,287	3.16%
Lone Star Real Estate Fund II LP	Opportunistic	41,992,098	2.78%
IL+FS India Realty Fund II LLC	Opportunistic	41,481,391	2.75%
Top Ten		\$999,345,347	66.19%

* 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 2014 (in Excess of \$3 Million)		
Partnership Name	Commitment Amount	Investment Type
USAA Eagle Real Estate Fund	\$100 million	Core
Gerding Edlen Green Citites II	30 million	Value-Add
Cypress Acquisitions Partners Retail Fund	50 million	Value-Add
UBS Trumbull Property Income and Growth Fund	50 million	Value-Add
UBS Trumbull Property Income Fund	50 million	Core
UBS Trumbull Property Fund	75 million	Core
PRISA	100 million	Core
JPM Strategic Property Fund	75 million	Core
Cornerstone Patriot Fund (Add-On)	75 million	Core
Prime Property Fund (Add-On)	<u>75 million</u>	Core
Total	\$680 million	

2014 commercial mortgage fund

Fund Facts at June 30, 2014

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

Date of Inception: November 2, 1987

Total Net Position: \$70,478

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

Management Fees: \$0

Benchmark: Barclays Aggregate Bond Index (BCI)

Operating Expenses: \$0

Number of Advisors: 1 external

Expense Ratio: 0.00%

Description of the Fund

CMF is a "sinking" portfolio which is no longer making new investments, and comprises two securitized Yankee Mac pooled Residential Mortgage-Backed Securities (RMBS), created pursuant to a previous Connecticut State Treasury program, and a whole loan commercial mortgage loan portfolio, both of which are externally managed by a professional real estate investment management firm. Most of the loans in the portfolio are conservative in nature, with high coupon rates and debt service coverage, with respect to loan underwriting standards.

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

This asset class is no longer a part of the 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

Apart from the two Yankee Mac RMBS bonds mentioned above, the CMF's sole commercial whole loan portfolio, initiated in September of 1992, with a relatively high 9.55% interest rate, was paid off at maturity in September, 2012. The CMF has had no other delinquent or non-performing loans at fiscal year-end, and the remainder of the portfolio is healthy from both a debt and credit risk standpoint.

Performance Summary

For the fiscal year ended June 30, 2014, the CMF generated a return of 10.17%, net of all expenses, outperforming the BCI of 4.37% by 580 basis points. The performance variance is primarily attributable to the write-down of previous recorded unrealized gains as principal payments (at par value) were received during the period, and does not accurately reflect the investments' actual stability and positive cash returns. Because of its relative size, the performance of CMF was not material to the reported performance for CRPTF.

For the trailing three-, five-, and ten-year periods, CMF's total compounded annual portfolio returns were 1.29%, 3.02% and 4.77%, respectively, net of all expenses. The comparative three-, five- and ten-year period benchmark returns were 3.66%, 4.85% and 4.93%, respectively.

Risk Profile

Given CMF's investment policies and objectives, the Fund is exposed to several forms of risk. These include risks specific to fixed income investing, such as purchasing power risk, market risk, and default risk. The payoff at par of the commercial mortgages and current payment on the RMBS notes help mitigate these risks.

The total net asset value at June 30, 2014 was approximately \$70,000 and is not material to the overall performance of the CRPTF.

2014 private investment fund

Fund Facts at June 30, 2014

Investment Strategy/Goals: The purpose of the Private Investment Fund (PIF) is to 1) earn returns in excess of the public equity markets and 2) generate attractive risk-adjusted rates of return. The PIF is also expected to reduce the impact of market volatility by diversifying the total asset base by investing in various private equity strategies and vehicles.

Date of Inception: July 1, 1987

Total Net Position: \$2,919,082,171

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

Expensed Management Fees⁽¹⁾: \$3,930,562

Capitalized and Netted Fees: \$32,130,992

Benchmark: S&P 500

Operating Expenses: \$2,120,911

Number of Partnerships: 65

Expense Ratio: 0.22%

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

Description of the Fund

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

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. Funds-of-funds (FOF) are investment funds which may have multiple areas of strategic focus. FOFs invest in numerous private equity partnerships that invest in underlying companies. Private equity investments include two general areas of strategic focus:

Corporate Finance

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

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 vendible product but requires additional capital to bring the product to market.

Excluding commitments made under the Connecticut Horizon Fund program as well as commitments with de minimis remaining values, the PIF had 65 active funds and aggregate capital commitments totaling \$6.1 billion as of June 30, 2014. Since the PIF's inception, 92 commitments have been made for a total of \$7.4 billion as of June 30, 2014. Approximately 86.6% of this commitment amount, or \$6.4 billion, has

been “drawn down” for investment purposes as of that date while approximately \$1.1 billion, or 14.7%, is committed but not “drawn.” (See Figure 13-6).

Market Review

The private equity industry experienced a very strong year ended June 30, 2014. Both buyout strategies and venture capital funds broadly generated strong double-digit returns. Gains experienced in the public equity markets were a primary driver of this strength. For the twelve months ended June 30, 2014, the S&P 500 Index gained nearly 25% after rising almost 21% in the preceding fiscal year.

More than \$110 billion was committed to U.S. buyout funds during Fiscal Year 2014, according to industry source Thomson One. The robust fundraising market and record levels of low cost debt have created a challenging valuation environment. Buyout transaction price multiples during the year reached a 7-year high. Buyout managers took advantage of these favorable conditions to generate distributions for their limited partners through IPOs, sales to corporate and financial buyers, and dividend recaps. Through the first half of calendar 2014, there were 29 buyout-backed IPOs, up 32% from the same prior year period.

The venture capital market also experienced a frothy year. According to Thomson One, U.S. venture funds raised \$27 billion during the fiscal year, the highest level since the technology bubble. Not surprisingly, this fundraising environment coincides with a number of highly successful venture-backed IPOs and M&A transactions during the year, such as WhatsApp which was acquired by Facebook for \$19 billion or Twitter that went public at a price of \$14 billion. There were 117 venture-backed IPOs in the U.S. during the fiscal year.

Performance Summary

For the fiscal year ended June 30, 2014, the PIF generated a net compounded annual rate of return of 16.06% (See Figure 13-5). This return was measured using a Time Weighted Return (“TWR”) calculation methodology.

While short-term returns are evaluated, longer term returns (e.g. 10 years) are more meaningful in evaluating private equity portfolio performance. Long-term horizons better reflect the illiquid nature of PIF’s holdings and the time it takes for investments to mature. The Fund’s performance is benchmarked against the S&P 500 plus 500 basis points. Over the last 10 years through June 30, 2014, the PIF’s performance has exceeded that of the S&P 500 by 230 basis points per year (See Figure 13-5).

The institutional standard for measuring private equity performance is the Internal Rate of Return (“IRR”), rather than the TWR. The IRR is a dollar-weighted annualized return that considers both cash flows and time. Since its inception in 1987, the PIF has generated an 8.8% IRR. A tool commonly used by institutional investors to benchmark IRR performance is the public market equivalent (“PME”), which essentially converts a public equity index TWR into an IRR. From inception through June 30, 2014, the Fund has generated 243 basis points of annual performance in excess of its S&P 500 PME.

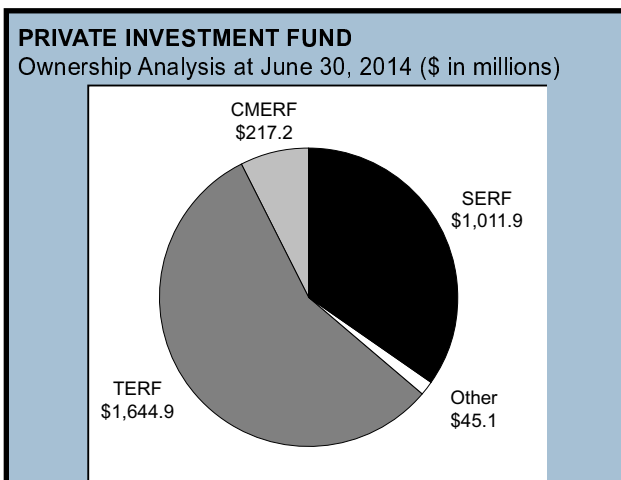
Risk Profile

Given the 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 the Fund to participate in the possibility of substantial long-term investment returns.

The PIF’s risk profile is complex given the valuation judgments and liquidity constraints placed on it due to its alternative investment strategy. Over the last five years, the PIF’s volatility relative to its benchmark has been 0.38 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 -5.21. (See Figure 13-2).

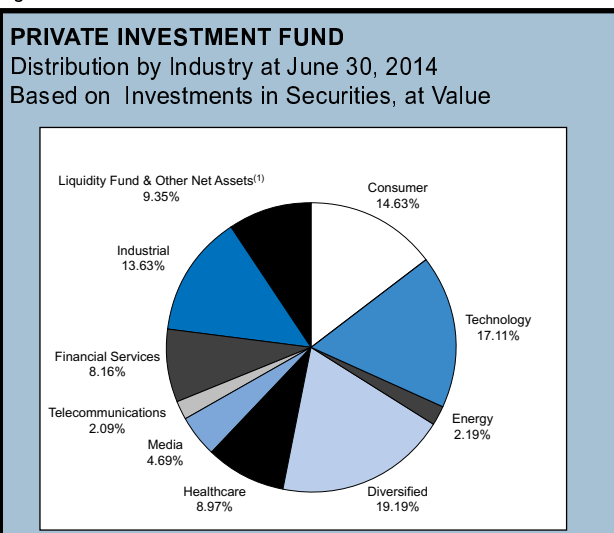
PENSION FUNDS MANAGEMENT DIVISION

Figure 13-1



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

Figure 13-3



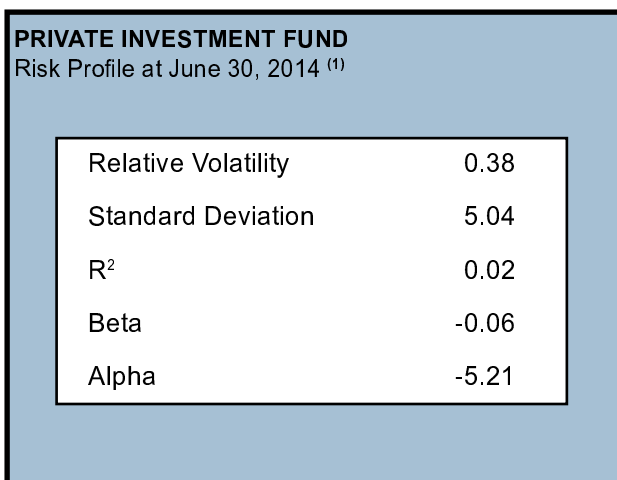
(1) Includes the Liquidity Fund and other assets at the partnership level.

Figure 13-5

PRIVATE INVESTMENT FUND
Periods ending June 30, 2014

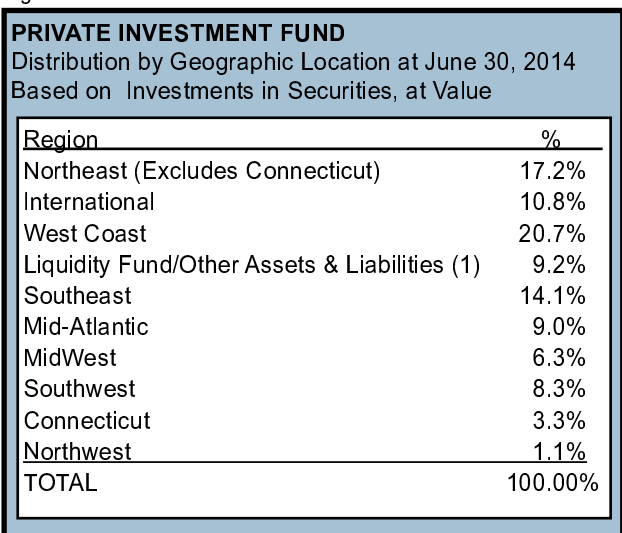
	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
PIF	16.06	10.42	13.62	10.08
S & P 500	24.61	16.58	18.83	7.78
Cumulative Total Return (%)				
PIF	16.06	34.61	89.33	161.33
S & P 500	24.61	58.46	136.98	111.59

Figure 13-2



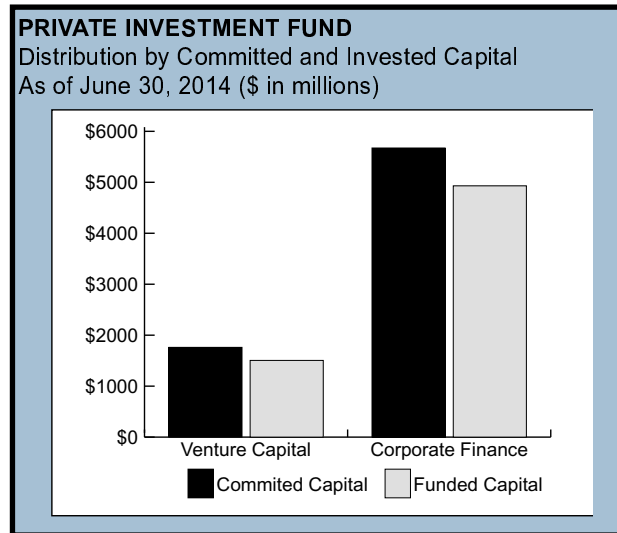
(1) Based upon quarterly returns over the last five years.

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

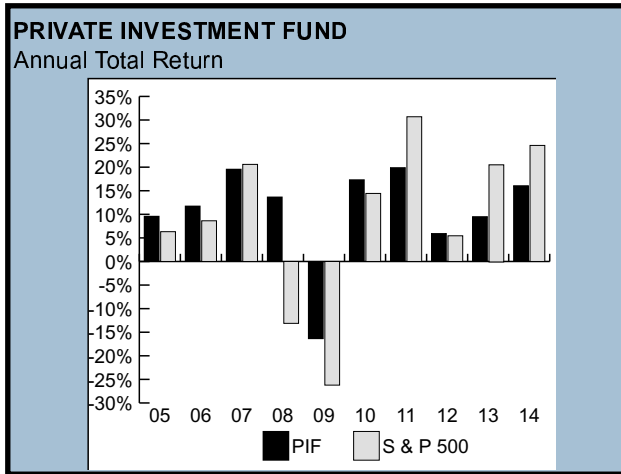


Figure 13-8

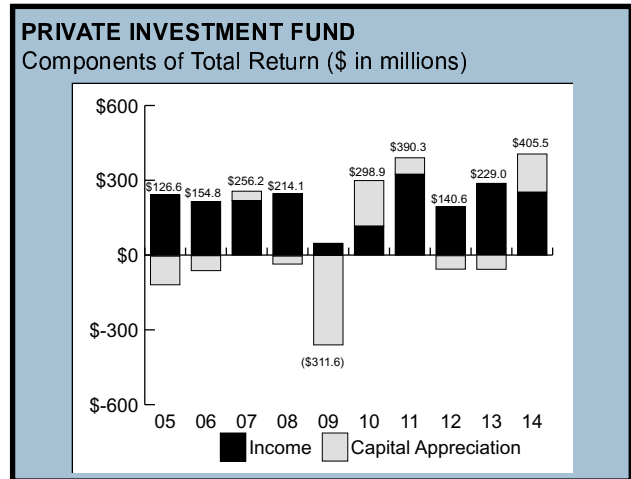


Figure 13-9

PRIVATE INVESTMENT FUND Ten Largest Holdings* at June 30, 2014			
Partnership Name	Partnership Type	Market Value	%
FAIRVIEW CONSTITUTION III LP	Fund of Funds	\$307,175,975	10.52%
FAIRVIEW CONSTITUTION II LP	Fund of Funds	169,331,457	5.80%
STEPSTONE PIONEER CAPITAL II L	Fund of Funds	150,217,036	5.15%
YUPAICA AMERICAN ALLIANCE FUND II LP	Buyout	105,005,246	3.60%
KKR 2006 FUND	Buyout	100,331,407	3.44%
THOMAS H LEE EQUITY FUND VI LP	Buyout	97,765,354	3.35%
WELSH,CARSON,ANDERSON + STOWE XI	Buyout	88,332,906	3.02%
FS EQUITY PARTNERS VI	Buyout	82,799,767	2.84%
WELSH,CARSON,ANDERSON + STOWE X LP	Buyout	73,386,525	2.51%
VISTA EQUITY PARTNERS FUND IV	Buyout	72,730,306	2.49%
Top Ten		\$1,247,075,979	42.72%

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

Figure 13-10

PRIVATE INVESTMENT FUND New Commitments Made in Fiscal Year 2014 ⁽¹⁾			
Partnership Name	Commitment Amount	Partnership Type	Inv. Date
GenNx360 Capital Partners II, L.P.	\$25 million	Buyout	April 18, 2014
Altaris Health Partners III, L.P.	\$50 million	Buyout	December 31, 2013
Apollo Investment Fund VIII, L.P.	\$125 million	Special Situations	December 23, 2013
Landmark Equity Partners XV, L.P.	\$100 million	Fund of Funds	July 31, 2013
Levine Leichtman Capital Partners V, L.P.	<u>\$75 million</u>	Special Situations	July 3, 2013
Total:	\$375 million		

(1) These represent new Private Equity Partnerships that were invested in by the Fund during Fiscal Year 2014.

PENSION FUNDS MANAGEMENT DIVISION

Figure 13-11

PRIVATE INVESTMENT FUND

Investment Advisors at June 30, 2014

Investment Advisor	Net Asset Value	% of Fund	Investment Advisor	Net Asset Value	% of Fund
Buyout	\$1,238,520,185	42.43%	International	44,596,977	1.53%
KKR Millennium Fund	32,737,168	1.12%	Compass Partners European Equity Fund	856,580	0.03%
Yucaipa American Alliance Fund II LP	105,005,246	3.60%	Gilbert Global Equity Partners	39,618,652	1.36%
Hicks, Muse Tate & Furst Equity Fund III	33,456,607	1.15%	AIG Global Emerging Markets Fund	2,221,015	0.08%
Thomas H. Lee Equity Fund VI	97,765,354	3.35%	Carlyle Asia Partners	1,900,730	0.06%
GENNX360 Capital Partners II	4,484,067	0.15%	Fund of Funds	984,328,269	33.72%
TA XI, L.P.	50,180,348	1.72%	The Constitution Liquidating Fund	65,218,079	2.23%
Charterhouse Equity Partners IV	22,914,778	0.78%	Landmark Private Equity Fund VIII	16,070,570	0.55%
DLJ Merchant Banking Fund II	953,909	0.03%	Landmark Equity Partners XV LP	14,872,176	0.51%
FS Equity Partners V	23,299,799	0.80%	CS/CT Cleantech Opp Fund	14,340,631	0.49%
FS Equity Partners VI	82,799,767	2.84%	CT Emerging Pvt Equity	63,160,199	2.17%
JFL Equity Investors III, LP	17,711,717	0.61%	Fairview Constitution III	307,175,975	10.52%
Green Equity Investors III	13,840	0.00%	Goldman Sachs Private Equity Partners CT	127,936	0.00%
Wellspring Capital Partners V	24,087,921	0.83%	Lexington Capital Partners II	896,759	0.03%
Candover 2008 Fund	11,641,677	0.40%	Stepstone Pioneer Capital I LP	35,819,701	1.23%
Leeds Equity Partners V LP	29,177,168	1.00%	Stepstone Pioneer Capital II LP	150,217,036	5.15%
Welsh Carson Anderson & Stowe XI	88,332,906	3.03%	Fairview Constitution II LP	169,331,457	5.80%
AIG Healthcare Partners LP	18,510,538	0.63%	Fairview Constitution IV LP	33,581,696	1.15%
AIG Altaris Health Partners II	41,441,783	1.42%	Connecticut Horizon Legacy	8,029,723	0.28%
AIG Altaris Health Partners III	2,982,173	0.10%	Landmark Equity Partners XIV LP	67,784,595	2.32%
Welsh Carson Anderson & Stowe X LP	73,386,525	2.51%	JP Morgan Nutmeg I	37,701,736	1.29%
Court Square Capital Partners II	56,125,605	1.92%	Special Situations	298,996,043	10.24%
Ethos Private Equity Fund V	30,058,284	1.03%	WCAS Capital Partners III	8,080,351	0.28%
Boston Ventures VII	59,403,758	2.04%	Levine Leichtman Capital Partners	52,482,201	1.80%
KKR 2006 Fund	100,331,407	3.44%	Levine Leichtman Capital Partners IV LP	8,317,293	0.28%
Nogales Investors Fund II	12,448,560	0.43%	Pegasus Partners IV	56,673,773	1.94%
ICV Partners II LP	35,920,853	1.23%	Pegasus Partners V	36,666,019	1.26%
Vista Equity Partners Fund III	33,388,978	1.14%	WLR Recovery Fund IV	47,689,388	1.63%
Vista Equity Partners Fund IV	72,730,306	2.49%	KPS Special Situations Fund II	71,444	0.00%
RFE Investments Partners VIII	16,756,567	0.57%	Clearlake Capital Partners III LP	22,136,810	0.76%
RFE Investment Partners VII	53,382,579	1.83%	Castlelake II LP	62,359,263	2.14%
Court Square Capital Partners III LP	7,089,997	0.24%	Apollo Investment Fund VIII LP	4,519,501	0.15%
Venture Capital	13,469,107	0.46%	Other ⁽¹⁾	270,002,378	9.25%
Crescendo III	1,156,486	0.04%	TOTAL PIF	\$2,919,082,171	100.00%
Syndicated Communications	12,312,621	0.42%			
Mezzanine	69,169,212	2.37%			
SW Pelham Fund	998,214	0.03%			
Audax Mezzanine III Limited Partnership	34,300,801	1.18%			
GarMark Partners II LP	33,870,197	1.16%			

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

2014 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 2014 the Debt Management Division's noteworthy accomplishments included:

- **New Money Bonds** - During Fiscal Year 2014, issued \$2.7 billion of new money bonds to fund local school construction, state grants and economic development initiatives, transportation infrastructure projects, clean water project grant, improvements to the University of Connecticut, funding for the Jackson Labs project, and for other purposes at some of the lowest interest rates in State history. A floating rate bond structure was used again on a portion of these financings to take advantage of low short-term interest rates in the State's debt portfolio.
- **Refunding Bonds** – Refunding savings were obtained by issuing \$822.2 million of General Obligation refunding bonds achieving the highest level of refunding savings on any such transaction in State history, \$314.3 million of Economic Recovery Refunding Notes for budget savings, and \$144.2 million of University of Connecticut refunding bonds. Combined, these transactions will reduce future debt service payments by \$104.5 million. Since January 1999, debt refundings and defeasances have resulted in debt service savings of over \$941 million.
- **GAAP Conversion Bonds** – Issued \$560.4 million of General Obligation "GAAP Conversion" bonds, the proceeds of which were used to fund half of the State's accumulated General Fund GAAP (General

DEBT MANAGEMENT DIVISION

Accepted Accounting Principles) Deficit. The bonds include a unique covenant that requires the State to cash fund the remaining balance of the accumulated GAAP Deficit over time through deemed-appropriated amounts.

- 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 on capital funding matters.
- Bradley International Airport - Worked closely with the Connecticut Airport Authority on extending its bonds with its bank investors on favorable terms and other matters regarding the airport's long-term plans for expansion and parking at the airport.
- Clean Water Fund and Municipal Finance Issues – 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 – Assisted the University of Connecticut on two separate issues of UConn 2000 Bonds totaling \$426 million as well as various leasing and legislative matters.
- Quasi-Public Agencies – The Division continued to coordinate with State quasi-public agencies on various initiatives including with Connecticut Innovations on the issuance of \$18.9 million of tax increment financing bonds for the new Bridgeport Steel Point project, with the Connecticut Student Loan Foundation regarding paying down its debt portfolio and successful combination with the Connecticut Higher Education Supplemental Loan Authority, and with the newly renamed Connecticut Green Bank on evaluating options for funding energy performance improvement contracting at State buildings.
- Rating Agencies – Ongoing communications with the credit rating agencies remained active, including in-person meetings in New York City.

2014 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 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. 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.

Public Financing Programs

Active public financing programs for the State of Connecticut, as of June 30, 2014, include:

	Amount Outstanding <u>June 30, 2014</u>
<p>GENERAL OBLIGATION BONDS</p> <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 \$2,254,378,254 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.</p>	\$13,975,208,740
<p>ECONOMIC RECOVERY NOTES</p> <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>	\$580,775,000

DEBT MANAGEMENT DIVISION

<p>UCONN 2000 BONDS</p> <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>	<p>\$1,023,985,000</p>
<p>OTHER GENERAL FUND APPROPRIATION DEBT</p> <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 (\$59,180,000).</p> <p>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 (\$67,220,000).</p> <p>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 (\$44,160,000).</p> <p>Other appropriation debt includes Connecticut Innovations, Inc. (CI) Tax Increment Financing, (\$35,280,000) and a Certificate of Participation issue for the Connecticut Juvenile Training School Energy Center Project (\$14,135,000).</p>	<p>\$219,975,000</p>
<p>SPECIAL TAX OBLIGATION BONDS</p> <p>Special Tax Obligation Bonds are special obligations of the State and are 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 \$448.9 million on June 30, 2014.</p>	<p>\$3,771,260,000</p>
<p>CLEAN WATER FUND REVENUE BONDS</p> <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 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 G.O. subsidy bonds. The State also provides grants and some loans for the program through its general obligation bond program.</p>	<p>\$708,060,000</p>
<p>CAPITAL REGION DEVELOPMENT AUTHORITY BONDS</p> <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. CRDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues.</p>	<p>\$91,970,000</p>
<p>BRADLEY INTERNATIONAL AIRPORT REVENUE BONDS</p> <p>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.</p>	<p>\$135,600,000</p>
<p>BRADLEY PARKING GARAGE REVENUE BONDS</p> <p>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.</p>	<p>\$35,275,000</p>
<p>Total debt outstanding at June 30, 2014</p>	<p>\$ 20,542,108,740</p>

DEBT MANAGEMENT DIVISION

Bonds issued during Fiscal Year 2014 include:

Bond Type	Par Amount	True Interest Cost ⁽¹⁾	Average Life (Years)	Issue Date
NEW MONEY BONDS:				
GENERAL OBLIGATION				
2013 Series C	\$ 200,000,000	3.57%	10.1	08/07/2013
2013 Series D SIFMA Index Bonds	115,000,000	0.94%	4.1	08/29/2013
2013 Series E	285,000,000	3.88%	11.9	08/29/2013
2013 Series A Taxable	100,000,000	3.19%	6.1	08/29/2013
2013 Series A GAAP Conversion Bonds	560,430,000	3.01%	8.6	10/24/2013
2014 Series A	353,000,000	3.45%	11.1	03/26/2014
2014 Series B SIFMA Index Bonds	47,000,000	0.82%	5.6	03/26/2014
2014 Series D	200,000,000	3.23%	10.5	06/26/2014
SPECIAL TAX OBLIGATION				
2013 Series A	600,000,000	3.67%	12.0	11/21/2013
UCONN 2000				
2013 Series A	172,660,000	3.55%	10.5	07/31/2013
2014 Series A	109,050,000	3.34%	10.3	04/22/2014
CI TAX INCREMENT FINANCING				
Bass Pro Shops TIF 2014 Series	18,885,000	3.39%	11.9	5/22/2014
2014 Subtotal New Money Bonds Issued		\$2,761,025,000		
REFUNDING BONDS:				
General Obligation 2013 ERN Refinancing	\$314,295,000	0.36%	3.4	10/24/2013
General Obligation 2014 Series C Refunding	822,225,000	1.55%	3.6	06/04/2014
UConn 2000 2013 Series A Refunding	51,250,000	2.67%	7.3	07/31/2013
UConn 2000 2014 Series A Refunding	92,940,000	1.31%	2.4	04/22/2014
2014 Subtotal Refunding Bonds Issued		\$1,280,710,000		
TOTAL		\$4,041,735,000		

(1) An industry defined term representing a composite overall present-value based interest rate for an entire bond issue excluding cost of issue 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

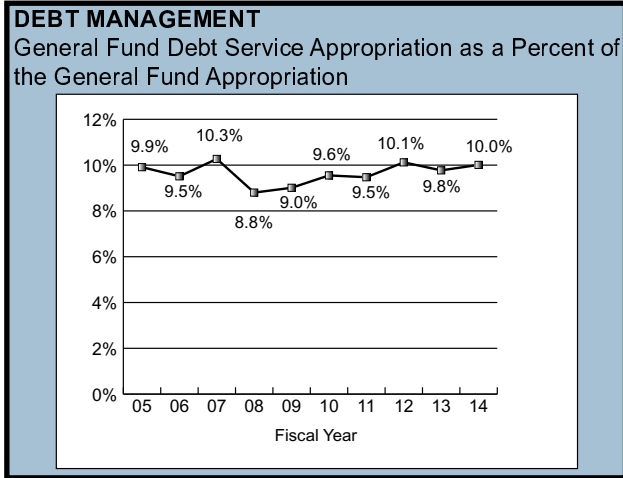


Figure 14-2

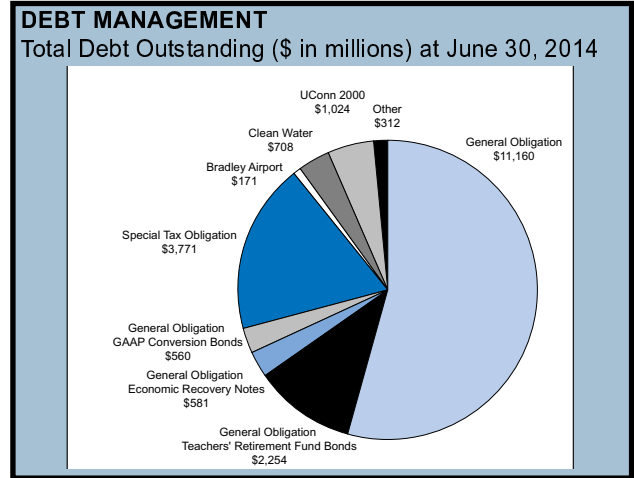
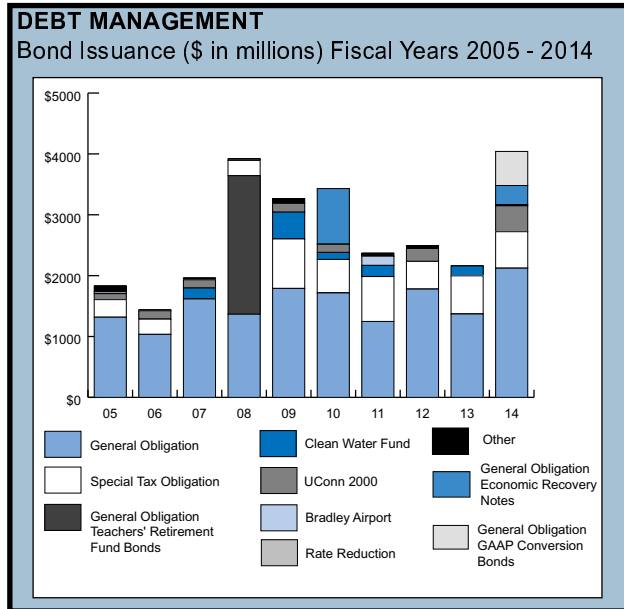


Figure 14-3



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.

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 2014, the unit controlled the movement of \$21.8 billion to and from state bank accounts and investment vehicles.

The **Client Services** unit works with state agencies to speed the deposit of funds and identify mechanisms to reduce banking costs. The unit also 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, 2014, approximately \$385 million in securities was pledged to the program.

The **Short-Term Investments** unit invests STIF assets, monitors custodian activity, and prepares quarterly and annual performance reports on the Fund. During Fiscal Year 2014, the unit invested an average of \$4.7 billion in short-term money market instruments. As of June 30, 2014, the unit administered 874 active STIF accounts for 67 State agencies and authorities and 260 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 accounts. The unit makes

CASH MANAGEMENT DIVISION

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 2014, 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 \$11.2 billion during the year;
- Conducted the 19th annual meeting of STIF investors in concert with the 9th Public Finance Outlook Conference, attended by nearly 190 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 develop and 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 24 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 agency accounts.

2014 Division Performance

The Office of the Treasurer's Cash Management Division performance is highlighted by numerous achievements during Fiscal Year 2014:

- Total annual return of 0.14 percent in STIF exceeded its primary benchmark by 12 basis points, resulting in \$5.6 million in additional interest income for Connecticut governments and their taxpayers, while adding \$651 thousand to its reserves. During the past fifteen years STIF has earned an additional \$183 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 2013 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;
- The addition of thirteen local government STIF accounts with \$35 million of assets;

CASH MANAGEMENT DIVISION

- Investment of \$22 million with community financial institutions under the Connecticut Community Bank and Credit Union Initiative at an average awarded annualized interest rate of 0.16 percent. Since inception, program investments have totaled \$408.5 million; and
- The identification and recapture of \$180,000 in annualized bank overcharges.

2014 short-term investment fund

Fund Facts at June 30, 2014

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 Assets: \$4.2 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 2014 fiscal year, STIF's portfolio averaged \$4.7 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, 2014, totaled \$50.3 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 shown 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 the CD index 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 2014 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 2014, 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 57 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 31 days and a high of 45 days and ended the year with a weighted average maturity of 40 days. Sixty-four 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 a 84 percent concentration in investments with short-term ratings of A-1+ and securities issued, guaranteed or insured by the U.S. government or federal agencies. Seventy-four 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 (38.7 percent), federal agency securities (37.8 percent), and bank commercial paper (7.7 percent). (See Figure 15-5.)

Market Review

During Fiscal Year 2014, the short-term markets changed their focus from the European sovereign and banking crisis to the outlook for short-term rates and the effect of the end of the Federal Reserve’s quantitative easing program. While the majority of developed nations continued to provide and promote liquidity through low central bank rates and market intervention, stronger economic growth remained, for the most part, elusive. Despite the record amount of liquidity that has been worked into the system over the past few years, inflation remains subdued domestically and has decreased in other areas of the developed world. As the Federal Reserve Bank (Fed) neared the end of its quantitative easing, its peers (particularly the European Central Bank, Bank of Japan and Peoples Bank of China) continued to find ways to increase monetary stimulus with the hope of fuelling growth and reducing the risk of deflation. The lack of inflation in Europe can be seen in German 10 year Bunds which at the end of the fiscal year yielded just over 1.20 percent and have continued to fall. Due to low yields in the Eurozone, the domestic market has attracted capital with its higher rates. This has held yields below where they might “normally” be at this point in the cycle and kept short-term rates just marginally above zero.

Domestic growth, as measured by Gross Domestic Product (GDP), increased during the fiscal year and became less volatile. For Fiscal Year 2014, GDP ranged between 1.9 percent and 3.1 percent. For the entire fiscal year, GDP averaged a rate of 2.6 percent, up 0.8 percentage point from Fiscal Year 2013. Meanwhile, the unemployment rate ended the fiscal year at 6.1 percent, down from the 7.5 rate at the end of Fiscal Year 2013. During the course of the fiscal year, nearly 2.3 million people were added to payrolls while, at the same time, the labor force participation rate dropped from 63.5 percent to 62.8 percent, thereby increasing the effect on the unemployment rate. The unemployment rate is forecast to continue its improvement over the course of Fiscal Year 2015.

Domestic inflation averaged 1.6 percent during the fiscal year, down from 1.7 percent in fiscal year 2013. While domestic inflation was weak, inflation in the Eurozone was even weaker, with an average inflation rate of just 0.9 percent, down significantly from the Fiscal Year 2013 period.

Despite the positive developments in the economy and labor market, the Federal Reserve continues to be wary of the remaining slack in the labor force as well as the stubbornly low inflation rate. As a result, the Fed has maintained its target range for the federal funds rate at 0.00 – 0.25 percent. The Fed's mixed view on the economic outlook is reflected through the end of its monthly purchases of mortgage-backed and Treasury securities (which, at their high, were \$85 billion a month) while expecting to maintain an extremely low funds rate. Economists and market participants continue to analyze the implications of the end of quantitative easing on future short-term interest rates. Utilizing the federal funds futures as a predictor, expectations are that the first tightening move by the Fed will be in Fiscal Year 2016.

Performance Summary

For the one-year period ending June 30, 2014, STIF reported an annual total return of 0.14 percent, net of all expenses and \$651 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 0.02 percent, by 12 basis points. In addition, STIF performance handily exceeded that of three-month T-Bills, which yielded 0.04 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, 0.20 percent, 0.94 percent, and 1.87 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 \$12.0 million at June 30, 2014, versus \$11.7 million for a hypothetical investment in the MFR Index. (See Figure 15-6.) During the past 10 years, STIF has earned \$103.7 million above its benchmark while adding \$32.5 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

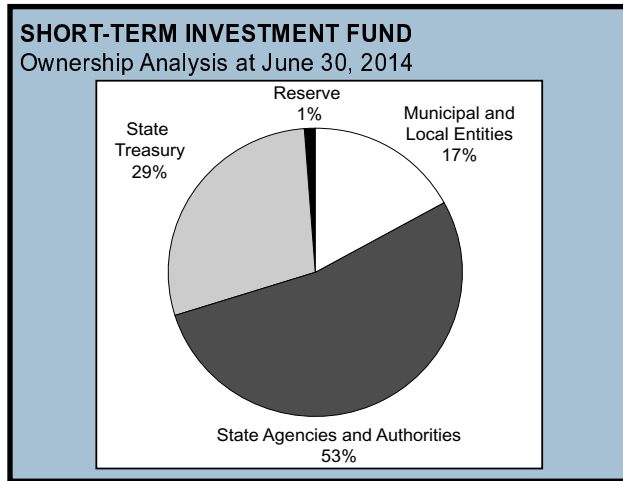


Figure 15-2

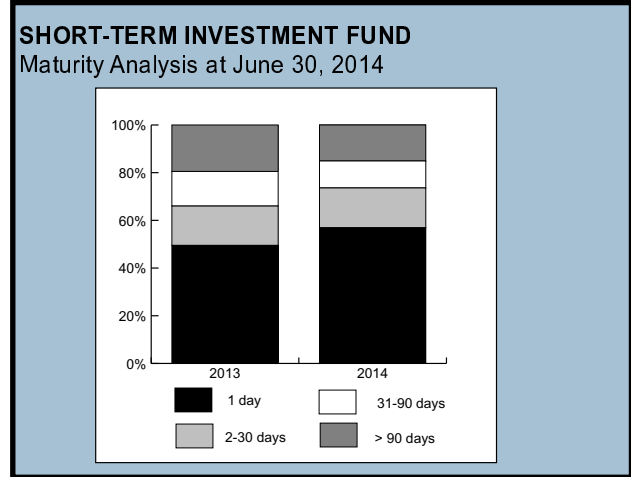


Figure 15-3

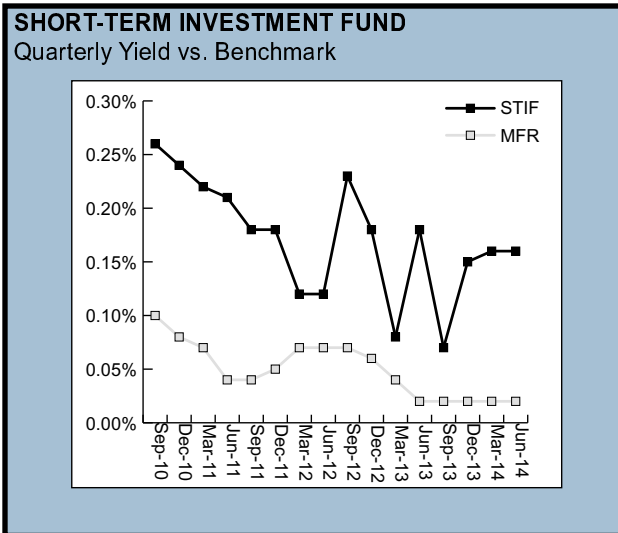
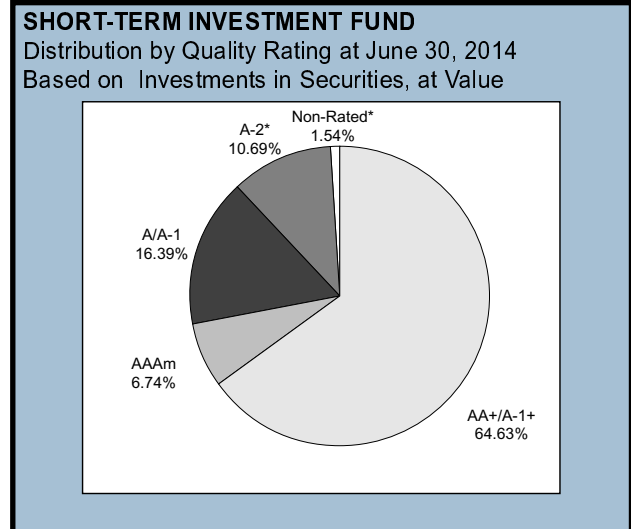


Figure 15-4



*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

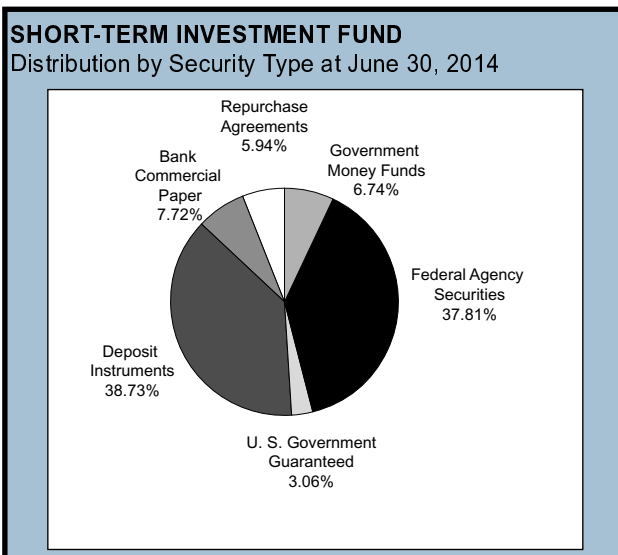


Figure 15-6

SHORT-TERM INVESTMENT FUND
Period ending June 30, 2014

	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Compounded Annual Total Return (%)					
STIF	0.14	0.15	0.20	0.94	1.87
MFR Index*	0.02	0.04	0.06	0.79	1.62
Fed. Three-Month T-Bills	0.04	0.06	0.08	0.55	1.47
Cumulative Total Return (%)					
STIF	0.14	0.46	1.03	6.77	20.34
MFR Index*	0.02	0.12	0.29	5.64	17.49
Fed. Three-Month T-Bills	0.04	0.17	0.41	3.89	16.22

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.

2014 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, 2014 the unclaimed property website contained \$615 million in escheated property held for 1,167,555 owners.
- There are approximately 343,500 shares (estimated value of \$665,000) (Figure 16-1) in the custodian account as of June 30, 2014.
- All holder receipts received through June 30, 2014 were loaded to the database.

2014 Division Performance

During Fiscal Year 2014, the Unclaimed Property Division:

- Returned \$64 million (Figure 16-2) to 20,897 rightful owners (Figure 16-3).
- Received over \$103 million in unclaimed property (Figure 16-4) of which \$78 million was collected from businesses, \$4 million from examinations of company records and \$21 million from the sale of 3 million shares of securities.
- Since 1999 the Unclaimed Property Division has received a total of \$834 million in unclaimed property voluntarily reported by holders, an additional \$210 million from examinations and \$409 million from the sale of stocks, bonds or mutual funds.
- The total amount of money collected as Unclaimed Property since 1999 is \$1.5 billion.

UNCLAIMED PROPERTY DIVISION

- 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), \$11,081,918 of unclaimed property receipts was deposited into the Citizens's Election Fund and the balance was deposited into the General Fund for Fiscal Year 2014.

Figure 16-1

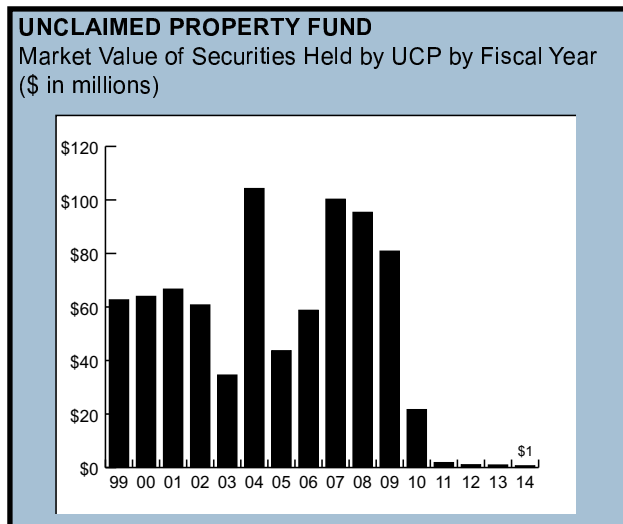


Figure 16-2

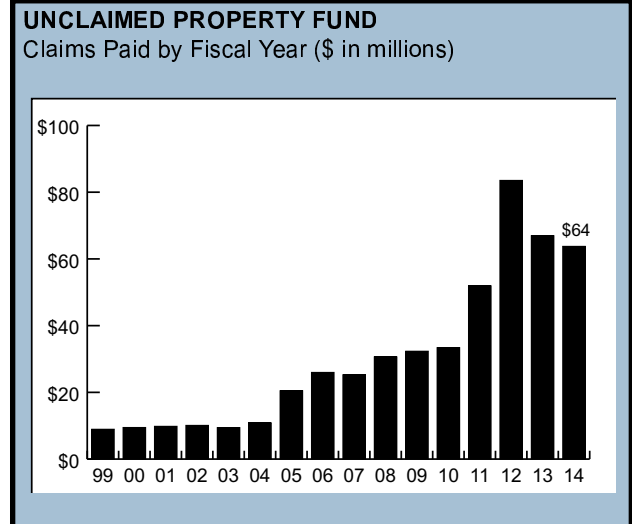


Figure 16-3

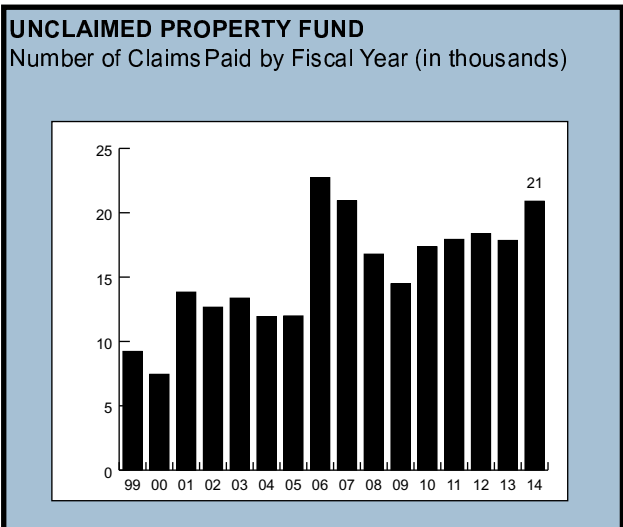
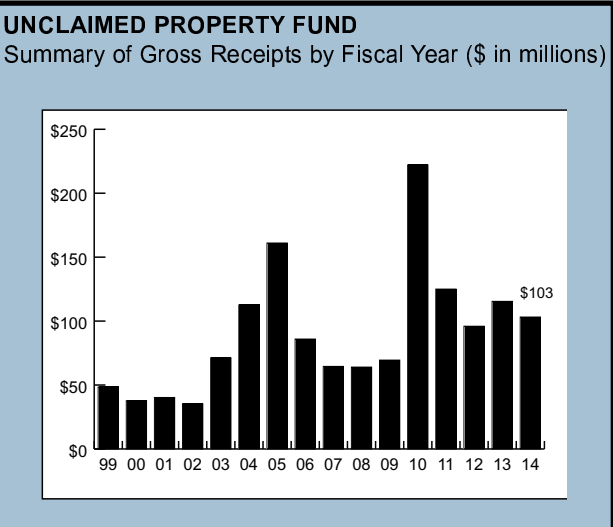


Figure 16-4



2014 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 employs thirty one employees.

The Year in Review

- There were four assessments made on insured employers totaling \$34 million and self-insured employers were assessed four times totaling \$6.1 million, for a combined assessment on all Connecticut employers of \$40.1 million for Fiscal Year 2014. The assessment rate for insured employers is 2.75% and 3.25% for self-insured employers in Fiscal Year 2014. Assessment rates on Connecticut business went from a high in 1999 of 10% to 2.75% in 2014.
- Reserves (estimated unfunded liability) for all open claims total \$396 million, a decrease of \$13 million from a year ago. The Fund expects the unfunded liabilities will continue to decline in Fiscal Year 2015. (See figure 17-1). The Fund reduced its unfunded liability by 52.7% from a high of \$838 million in 1999.

2014 Division Performance

During Fiscal Year 2014 the Second Injury Fund:

- Marked the sixteenth 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 \$31.4 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) decrease from 291 a year ago to 284
- Participated in 222 settlements at a cost of \$5.8 million. Since 1999 the Fund's caseload dropped from 4,523 to 2,957 as of June 30, 2014 (See figure 17-2)
- Realized a total savings of \$1.8 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 2014 on October 16, 2013 and June 11, 2014.

The current Advisory Board members are:

Senator Gary Holder-Winfield; Senate Chair Labor and Public Employees Committee
 State Representative Peter Tercyak; House Chair of the Human Services Committee
 Lori Pelletier; Connecticut AFL-CIO, Advisory Board Chairperson
 Clifford G. Leach; The Hartford Financial Services Group, Inc.
 Daniel E. Krause; International Union of Operating Engineers/Local 478 Benefits Funds
 Kathleen Santiago; 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

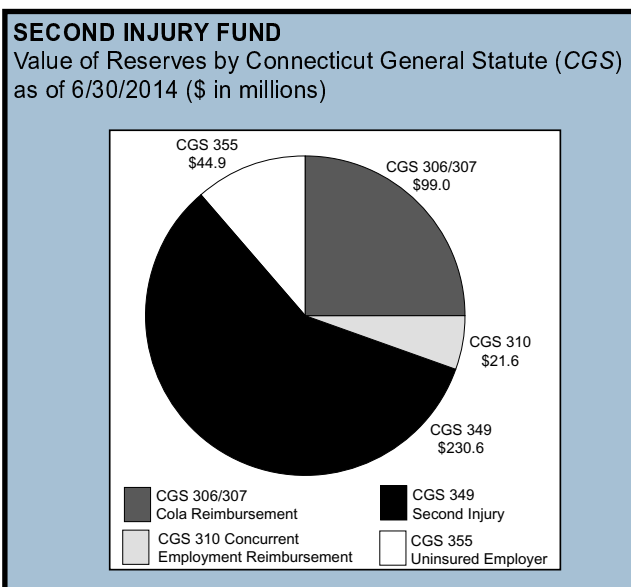
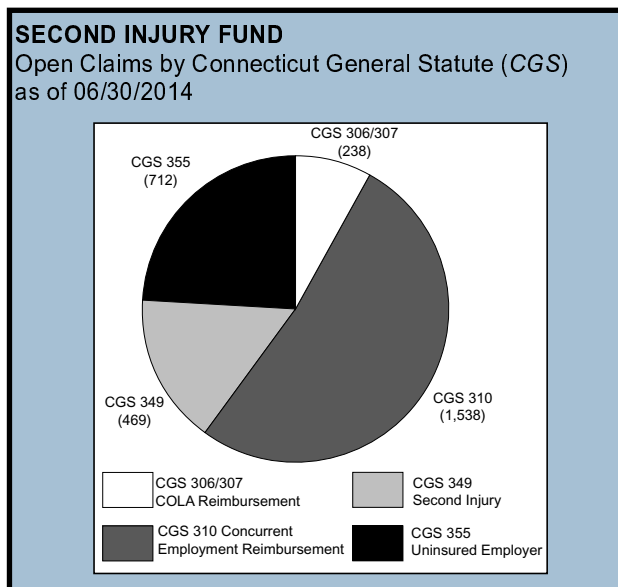


Figure 17-2



2014 connecticut higher education trust

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 eleven investment options: the Moderate Managed Allocation Option, the Aggressive Managed Allocation Option, the Conservative Managed Allocation Option, the High Equity Option, the Equity Index Option, the Social Choice Option, the Active Fixed-Income Option, the Money Market Option, the Principal Plus Interest Option, the Active Equity Option, and the Index Fixed-Income 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 608 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 2014, the number of accounts in the CHET Advisor program grew from 7,460 to 16,224. During the same period, total assets grew from \$172.5 million to \$275.2 million.

CHET Direct

During Fiscal Year 2014, the number of accounts in the CHET Direct program grew from 87,933 (June 2013) to 94,438 (June 2014), with 93.2% of those accounts coming from State residents. During the same period, total assets grew from \$1.9 billion a year ago to \$2.3 billion. 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 2014 include launching the first two CHET Advance Scholarship programs. CHET Advance scholarships are funded annually by both TFI and The Hartford per their respective contracts with the Treasurer's Office. In the fall of 2013, scholarships were awarded to high school seniors, and in the spring of 2014, to high school juniors and 6th graders. 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. 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, 2013 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

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

CONNECTICUT HIGHER EDUCATION TRUST

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

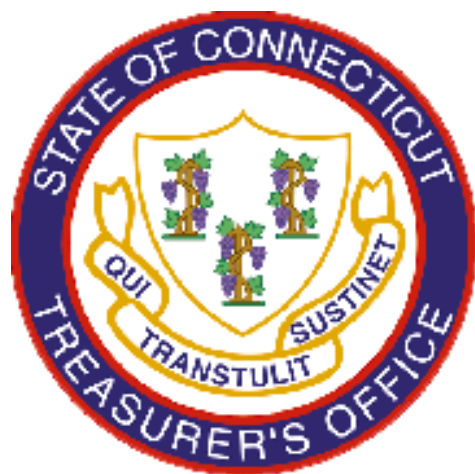
MARGARET MALASPINA , Director of Financial Aid, Capitol Community College

JAMES BLAKE, Executive Vice President of Finance & Administration, Southern Connecticut State University

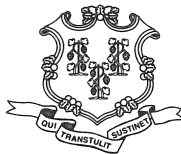
PATRICK TORRE, Vice President Finance, University of New Haven

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

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, 2014, the statements of changes in net position for the fiscal years ended June 30, 2014 and 2013, 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, 2014, the statements of changes in net position for the fiscal years ended June 30, 2014 and 2013, and the related notes to the financial statements. We have audited the accompanying financial statements of the Short-Term Plus Investment Fund, which comprise the statement of net position as of June 30, 2014, the statements of changes in net position for the fiscal years ended June 30, 2014 and 2013, 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, 2014 and 2013 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, 2014 and 2013, 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, 2014, 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, 2014. 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, 2014. We have audited the accompanying schedule of debt outstanding and the changes in debt outstanding for the fiscal year ended June 30, 2014.

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, 2014, 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, 2014. 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, 2014, 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, 2014, and the related statements of changes in net position for the fiscal years ended June 30, 2014 and 2013, the statement of net position of the Short-Term Investment Fund, including the list of investments, as of June 30, 2014, and the related statements of changes in net position for the fiscal years ended June 30, 2014 and 2013, the statement of net position of the Short-Term Plus Investment Fund, and the related statements of changes in net position for the fiscal years ended June 30, 2014 and 2013, the statements of net position of the Second Injury Fund as of June 30, 2014 and 2013, 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, 2014, 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 a Matter - Cash Adjusted Fair Values

As explained in Note 1B to the financial statements of the combined investment funds, the real estate, private investment, 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.

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, 2014, 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, 2014*, 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, 2014
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, 2014. 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 \$29.4 billion portfolio for six State pension and nine State trust funds, a short-term investment fund approximating \$4.2 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 \$2.5 billion as of June 30, 2014.

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 194,000 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 2014

At June 30, 2014, the Combined Investment Funds reported investment balances of \$29.4 billion. The Short-Term Investment Fund reported a fund balance of \$4.2 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 2014 performance resulted in a net position of \$29.4 billion at June 30, 2014 increasing from \$25.9 billion at June 30, 2013 as a result of strong returns in all asset classes 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, 2014, achieved an annual return of 0.14%, exceeding its primary benchmark by 12 basis points, thereby earning an additional \$5.6 million in interest income for the state, state agencies and municipalities and their taxpayers while also adding \$651 thousand to its reserves. At the end of the 2014 Fiscal Year, the Short Term Investment Fund had approximately \$4.2 billion in assets under management, \$0.3 billion less than the prior year.

The Treasury refunded or defeased \$1.3 billion of various bonds in 2014. Since January 1999, debt refunding and defeasances have produced \$941 million in debt service savings.

The Connecticut Higher Education Trust (CHET) Direct Plan held 94,438 accounts with total assets of \$2.3 billion at the end of the 2014 Fiscal Year compared to 87,933 accounts and \$1.9 billion in assets in the prior fiscal year. The Connecticut Higher Education Trust (CHET) Advisor plan held 16,224 accounts with total assets of \$275 million at the end of the 2014 Fiscal Year compared to 7,460 accounts and \$173 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 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

The net position of the Combined Investment Funds at the close of the 2013 Fiscal Year was \$25.9 billion, an increase of \$1.9 billion from the previous year. The change in net position resulted from a \$2.8 billion increase from operations (realized and unrealized gains and investment income) partly offset by \$810 million of net cash withdrawals to the Connecticut Retirement Plans and Trust Funds.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 1 - Net Position

Assets	2014	Increase (Decrease)	2013	Increase (Decrease)	2012
Investments at Fair Value	\$29,482,334,377	\$3,569,830,591	\$25,912,503,786	\$1,835,163,317	\$24,077,340,469
Cash, Receivables and Other	6,096,284,676	(3,379,529,605)	9,475,814,281	2,511,701,043	6,964,113,238
Total Assets	35,578,619,053	190,300,986	35,388,318,067	4,346,864,360	31,041,453,707
Liabilities	(6,150,687,887)	3,296,821,140	(9,447,509,027)	(2,382,817,218)	(7,064,691,809)
Net Position	\$29,427,931,166	\$3,487,122,126	\$25,940,809,040	\$1,964,047,142	\$23,976,761,898

Table 2 - Changes in Net Position

Additions	2014	Increase (Decrease)	2013	Increase (Decrease)	2012
Dividends	\$745,376,417	\$(2,500,064)	\$747,876,481	\$124,975,362	\$622,901,119
Interest	270,523,400	88,731,101	181,792,299	(59,375,969)	241,168,268
Securities Lending & Other Income	16,520,088	(12,630,364)	29,150,452	683,426	28,467,026
Total Investment Income	1,032,419,905	73,600,673	958,819,232	66,282,819	892,536,413
Total Investment Expenses	84,312,060	2,558,622	86,870,682	(3,349,357)	83,521,325
Net Investment Income	948,107,845	(76,159,295)	871,948,550	62,933,462	809,015,088
Net Realized Gain/(Loss)	613,827,063	(666,182,253)	1,280,009,316	1,291,803,980	(11,794,664)
Net Change in Unrealized Gains on Investments	2,445,015,715	1,819,187,170	625,828,545	1,637,874,026	(1,012,045,481)
Net Increase (Decrease) in Net Position resulting from operations	4,006,950,623	1,229,164,212	2,777,786,411	2,992,611,468	(214,825,057)
Purchase of Units by Participants	2,955,288,923	(2,026,160,180)	4,981,449,103	2,265,447,712	2,716,001,391
Total Additions	6,962,239,546	(796,995,968)	7,759,235,514	5,258,059,180	2,501,176,334
Deductions					
Administrative Expense	4,940,481	679,161	4,261,320	148,099	4,113,221
Distribution of Income to Unit Owners	190,425,979	(622,760,273)	813,186,252	152,614,993	660,571,259
Redemption of Units by Participants	3,279,750,960	(1,697,989,840)	4,977,740,800	1,934,346,158	3,043,394,642
Total Deductions	3,475,117,420	(2,320,070,952)	5,795,188,372	2,087,109,250	3,708,079,122
Change in Net Position	3,487,122,126	1,523,074,984	1,964,047,142	3,170,949,930	(1,206,902,788)
Net Position – Beginning of year	25,940,809,040	1,964,047,142	23,976,761,898	(1,206,902,788)	25,183,664,686
Net Position – End of year	\$29,427,931,166	\$3,487,122,126	\$25,940,809,040	\$1,964,047,142	\$23,976,761,898

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 2014 Fiscal Year was approximately \$4.2 billion, versus \$4.5 billion the previous year.

The net position in the Short-Term Investment Fund at the close of the 2013 Fiscal Year was \$4.5 billion, versus \$4.9 billion the previous year.

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. 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 \$651 thousand to its reserves.

Operating Income - General financial market conditions produced an annual total return of 0.16%, net of operating expenses and allocations to Fund reserves in Fiscal Year 2013, the same annual total return in Fiscal Year 2012, net of operating expenses and allocations to Fund reserves. The annual total return exceeded that achieved by its benchmark, which equaled .05%, by 11 basis points, resulting in \$5.3 million in additional interest income for Connecticut governments and their taxpayers while also adding \$2.3 million to its reserves.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 3 - Net Position

Assets	2014	Increase (Decrease)	2013	Increase (Decrease)	2012
Investments in Securities, at Amortized Cost	\$4,208,753,819	\$(263,468,130)	\$4,472,221,949	\$(419,718,809)	\$4,891,940,758
Receivables and Other	3,111,088	(2,094,566)	5,205,654	3,080,458	2,125,196
Total Assets	4,211,864,907	(265,562,696)	4,477,427,603	(416,638,351)	4,894,065,954
Liabilities	(530,908)	175,248	(706,156)	(212,141)	(494,015)
Net Position	\$4,211,333,999	\$(265,387,448)	\$4,476,721,447	\$(416,850,492)	\$4,893,571,939

Table 4 - Changes in Net Position

Additions	2014	Increase (Decrease)	2013	Increase (Decrease)	2012
Interest Income	\$8,943,345	\$(2,175,743)	\$11,119,088	\$(1,546,182)	\$12,665,270
Net Realized Gains	106,047	102,352	3,695	(152,129)	155,824
Total Increase from Operations	9,049,392	(2,073,391)	11,122,783	(1,698,311)	12,821,094
Purchase of Units by Participants	11,718,981,266	531,591,700	11,187,389,566	385,490,381	10,801,899,185
Total Additions	11,728,030,658	529,518,309	11,198,512,349	383,792,070	10,814,720,279
Deductions					
Distribution of Income to Participants	6,299,050	(1,019,837)	7,318,887	(238,885)	7,557,772
Redemption of Units by Participants	11,985,125,718	378,554,228	11,606,571,490	1,200,055,244	10,406,516,246
Operating Expenses	1,993,338	520,874	1,472,464	171,965	1,300,499
Total Deductions	11,993,418,106	378,055,265	11,615,362,841	1,199,988,324	10,415,374,517
Change in Net Position	(265,387,448)	151,463,044	(416,850,492)	(816,196,254)	399,345,762
Net Position – beginning of year	4,476,721,447	(416,850,492)	4,893,571,939	399,345,762	4,494,226,177
Net Position – end of year	\$4,211,333,999	\$(265,387,448)	\$4,476,721,447	\$(416,850,492)	\$4,893,571,939

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 \$2.3 billion, an increase of \$350 million from the previous year.

Fiduciary Net Position of the Direct Plan at the close of the 2013 Fiscal Year was \$1.9 billion, an increase of \$247 million from the previous year.

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.

Change in Fiduciary Net Position of the Direct Plan increased by \$247 million in Fiscal Year 2013 resulting from \$110 million of contributions to active accounts, net of redemptions, in addition to \$137 million of net investment income and an increase in fair value of investments.

Table 5 - Fiduciary Net Position

Assets	2014	Increase (Decrease)	2013	Increase (Decrease)	2012
Investments, at Value	\$2,292,644,898	\$351,245,165	\$1,941,399,733	\$246,652,573	\$1,694,747,160
Cash, Receivables and Other	3,589,887	1,510,755	2,079,132	(2,114,625)	4,193,757
Total Assets	2,296,234,785	352,755,920	1,943,478,865	244,537,948	1,698,940,917
Liabilities	(4,121,969)	(1,913,861)	(2,208,108)	2,072,840	(4,280,948)
Net Position	\$2,292,112,816	\$350,842,059	\$1,941,270,757	\$246,610,788	\$1,694,659,969

MANAGEMENT'S DISCUSSION AND ANALYSIS

Table 6 - Fiduciary Changes in Net Position

	2014	Increase (Decrease)	2013	Increase (Decrease)	2012
Additions					
Subscriptions	\$766,188,733	\$88,946,322	\$677,242,411	\$90,041,765	\$587,200,646
Total investment income	42,035,649	4,368,819	37,666,830	746,031	36,920,799
Net increase (decrease) in					
Fair value of investments	211,218,421	109,442,311	101,776,110	124,232,336	(22,456,226)
Total additions	1,019,442,803	202,757,452	816,685,351	215,020,132	601,665,219
Deductions					
Redemptions	(665,586,621)	(98,552,471)	(567,034,150)	(78,992,566)	(488,041,584)
Plan management fee	(2,829,316)	51,461	(2,880,777)	(406,509)	(2,474,268)
Administrative fee	(184,807)	(25,171)	(159,636)	(22,352)	(137,284)
Total deductions	(668,600,744)	(98,526,181)	(570,074,563)	(79,421,427)	(490,653,136)
Change in Net Position	350,842,059	104,231,271	246,610,788	135,598,705	111,012,083
Net position – beginning of year	1,941,270,757	246,610,788	1,694,659,969	111,012,083	1,583,647,886
Net position – end of year	<u>\$2,292,112,816</u>	<u>\$350,842,059</u>	<u>\$1,941,270,757</u>	<u>\$246,610,788</u>	<u>\$1,694,659,969</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 \$275.2 million, an increase of \$102.6 million from the previous year.

Fiduciary Net Position of the Advisor Plan at the close of the 2013 Fiscal Year was \$172.6 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.

Change in Fiduciary Net Position increased by \$75 million in Fiscal Year 2013 resulting from contributions to active accounts of \$61 million, net of redemptions and \$14 million of net investment income.

Table 7 - Fiduciary Net Position

	2014	Increase (Decrease)	2013	Increase (Decrease)	2012
Assets					
Investments, at Value	\$275,140,842	\$102,825,733	\$172,315,109	\$75,600,297	\$96,714,812
Cash, Receivables and Other	361,078	(184,578)	545,656	311,931	233,725
Total Assets	275,501,920	102,641,155	172,860,765	75,912,228	96,948,537
Liabilities	(308,471)	(30,377)	(278,094)	(135,975)	(142,119)
Net Position	<u>\$275,193,449</u>	<u>\$102,610,778</u>	<u>\$172,582,671</u>	<u>\$75,776,253</u>	<u>\$96,806,418</u>

Table 8 - Change in Fiduciary Net Position

	2014	Increase (Decrease)	2013	Increase (Decrease)	2012
Additions					
Subscriptions	\$83,224,690	\$15,637,206	\$67,587,484	\$6,637,040	\$60,950,444
Total investment income	18,165,579	12,007,536	6,158,043	5,055,742	1,102,301
Net increase (decrease) in					
Fair value of investments	14,907,959	5,408,946	9,499,013	8,128,867	1,370,146
Total additions	116,298,228	33,053,688	83,244,540	19,821,649	63,422,891
Deductions					
Redemptions	(12,204,271)	(5,627,725)	(6,576,546)	(3,523,833)	(3,052,713)
Plan management fee	(530,076)	(201,360)	(328,716)	(141,084)	(187,632)
Administrative fee	(44,170)	(17,635)	(26,535)	(14,026)	(12,509)
Distribution fees	(998,063)	(413,386)	(584,677)	(325,358)	(259,319)
Total waivers	89,130	40,943	48,187	24,179	24,008
Total deductions	(13,687,450)	(6,219,163)	(7,468,287)	(3,980,122)	(3,488,165)
Change in Net Position	102,610,778	26,834,525	75,776,253	15,841,527	59,934,726
Net position – beginning of year	172,582,671	75,776,253	96,806,418	59,934,726	36,871,692
Net position – end of year	<u>\$275,193,449</u>	<u>\$102,610,778</u>	<u>\$172,582,671</u>	<u>\$75,776,253</u>	<u>\$96,806,418</u>

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 \$2.6 billion, an increase of \$453 million from the previous year.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiduciary Net Position of the CHET Direct and Advisor Plans at the close of the 2013 Fiscal Year was \$2.1 billion, an increase of \$322 million from the previous year.

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 \$60 million and an increase in the fair value of assets of \$226 million.

Change in Fiduciary Net Position increased by \$322 million in Fiscal Year 2013 resulting from \$171 million of contributions to active accounts, net of redemptions, in addition to net investment income of \$40 million and an increase in the fair value of assets of \$111 million.

Table 9 - Fiduciary Net Position

Assets	2014	Increase (Decrease)	2013	Increase (Decrease)	2012
Investments, at Value	\$2,567,785,740	\$454,070,898	\$2,113,714,842	\$322,252,870	\$1,791,461,972
Cash, Receivables and Other	3,950,965	1,326,177	2,624,788	(1,802,694)	4,427,482
Total Assets	2,571,736,705	455,397,075	2,116,339,630	320,450,176	1,795,889,454
Liabilities	(4,430,440)	(1,944,238)	(2,486,202)	1,936,865	(4,423,067)
Net Position	<u>\$2,567,306,265</u>	<u>\$453,452,837</u>	<u>\$2,113,853,428</u>	<u>\$322,387,041</u>	<u>\$1,791,466,387</u>

Table 10 - Change in Fiduciary Net Position

Additions	2014	Increase (Decrease)	2013	Increase (Decrease)	2012
Subscriptions	\$849,413,423	\$104,583,528	\$744,829,895	\$96,678,805	\$648,151,090
Total investment income	60,201,228	16,376,355	43,824,873	5,801,773	38,023,100
Net increase (decrease) in Fair value of investments	<u>226,126,380</u>	<u>114,851,257</u>	<u>111,275,123</u>	<u>132,361,203</u>	<u>(21,086,080)</u>
Total Additions	1,135,741,031	235,811,140	899,929,891	234,841,781	665,088,110
Deductions					
Redemptions	(677,790,892)	(104,180,196)	(573,610,696)	(82,516,399)	(491,094,297)
Plan management fee	(3,359,392)	(149,899)	(3,209,493)	(547,593)	(2,661,900)
Administrative fee	(228,977)	(42,806)	(186,171)	(36,378)	(149,793)
Distribution fees	(998,063)	(413,386)	(584,677)	(325,358)	(259,319)
Total waivers	89,130	40,943	48,187	24,179	24,008
Total deductions	<u>(682,288,194)</u>	<u>(104,745,344)</u>	<u>(577,542,850)</u>	<u>(83,401,549)</u>	<u>(494,141,301)</u>
Change in Net Position	453,452,837	131,065,796	322,387,041	151,440,232	170,946,809
Net position – beginning of year	2,113,853,428	322,387,041	1,791,466,387	170,946,809	1,620,519,578
Net position – end of year	<u>\$2,567,306,265</u>	<u>\$453,452,837</u>	<u>\$2,113,853,428</u>	<u>\$322,387,041</u>	<u>\$1,791,466,387</u>

Second Injury Fund

The Net Position of the Second Injury Fund (SIF) at the close of Fiscal Year 2014 was \$27.9 million, an increase of \$2.2 million from the previous year net position balance of \$25.7 million.

The Net Position of the Second Injury Fund (SIF) at the previous fiscal year was \$25.7 million, an increase of \$0.5 million from the previous year net position balance of \$25.2 million.

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

The Change in Net Position 2013 was an increase of \$0.5 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, 2014, the State had \$20.5 billion in bonds and notes outstanding, approximately \$1.2 billion greater than the end of June 30, 2013 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	2014	Increase (Decrease)	2013	Increase (Decrease)	2012
General Obligation –					
Tax Supported	\$11,160,400,486	\$300,934,999	\$10,859,465,487	\$349,490,681	\$10,509,974,856
Teachers Retirement Fund	2,254,378,254	(22,200,017)	2,276,578,271	0	2,276,578,271
Economic Recovery Notes	580,775,000	7,410,000	573,365,000	(174,570,000)	747,935,000
GAAP Conversion Bonds	560,430,000	560,430,000	0	0	0
Special Tax Obligation	3,771,260,000	309,385,000	3,461,875,000	174,535,000	3,287,340,000
Bradley International Airport	135,600,000	(5,955,000)	141,555,000	(14,245,000)	155,800,000
Clean Water Fund	708,060,000	(76,330,000)	784,390,000	(39,385,000)	823,775,000
UCONN 2000	1,023,985,000	195,190,000	828,795,000	(74,755,000)	903,550,000
CDA Increment Financing	35,280,000	15,915,000	19,365,000	(2,840,000)	22,205,000
CDA Government					
Lease Revenue	0	(800,000)	800,000	(750,000)	1,550,000
CHEFA Childcare					
Facilities Program	59,180,000	(1,975,000)	61,155,000	(2,125,000)	63,280,000
Bradley Parking Operations	35,275,000	(2,120,000)	37,395,000	(1,990,000)	39,385,000
CT Juvenile Training school	14,135,000	(520,000)	14,655,000	(495,000)	15,150,000
CHFA Special Needs Housing Bonds	67,220,000	(3,265,000)	70,485,000	(3,165,000)	73,650,000
CCEDA Bonds	91,970,000	(2,835,000)	94,805,000	(2,730,000)	97,535,000
CHFA Emergency					
Mortgage Assistance Program	44,160,000	(1,950,000)	46,110,000	(1,925,000)	48,035,000
Total	\$20,542,108,740	\$1,271,314,982	\$19,270,793,758	\$205,050,631	\$19,065,743,127

During Fiscal Year 2014, the State issued \$4.0 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 \$1.4 billion and bonds refunded of \$1.4 billion, resulting in a net increase of \$1.2 billion in bonds outstanding. Since 1999, debt refunding and defeasances have produced \$941 million in debt savings to taxpayers.

As of July 2014 the underlying (uninsured) credit rating for the State of Connecticut General Obligation Bonds are as follows: Moody's Investors Services Aa3, Standard & Poor's Ratings Services, Fitch Ratings and Kroll Bond Ratings AA.

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 2.6 percent, up 1 percent from Fiscal Year 2013. As the economy grew, nearly 2.3 million people were added to payrolls, helping the unemployment rate fall to 6.1 percent, down from 7.5 percent at the end of Fiscal Year 2013. Domestic inflation averaged 1.6 percent during the fiscal year, down from the 1.7 percent in Fiscal Year 2013.

Due to the improvement in the outlook for the labor market and the underlying strength of the broader economy, the FOMC concluded its asset purchase program at its October 2014 meeting. The Committee also stated that based on its current assessment, it is likely that the 0 to 1/4 percent target range for the federal funds rate will be maintained for a considerable time following the end of the asset purchase program.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Connecticut's unemployment rate has continued to decline from a high of 9.5 percent in October 2010 to 6.4 percent in October 2014, compared to the national unemployment rate of 5.8 percent. The State Comptroller reported that the State's General Fund ended the 2014 Fiscal Year with a pre-audited \$248 million surplus which will be deposited into the Budget Reserve Fund, and that Fiscal Year 2015 is projecting a potential \$44.8 million deficit due to a \$59.1 million reduction in revenue, mainly within the federal grants category, partly offset by a \$14 million decrease in net spending after accounting for \$54.7 million in planned recisions by the Governor.

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



MANAGEMENT'S REPORT



DENISE L. NAPPIER
TREASURER

State of Connecticut Office of the Treasurer

CHRISTINE SHAW
DEPUTY TREASURER

December 31, 2014

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 read "Christine Shaw", is written over a light blue horizontal line.

Christine Shaw
Deputy Treasurer
State of Connecticut

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

COMBINED INVESTMENT FUNDS

**STATEMENT OF NET POSITION
JUNE 30, 2014**

	TOTAL
ASSETS	
Investments in Securities, at Fair Value	
Liquidity Fund	\$ -
Cash Equivalents	622,636,693
Asset Backed Securities	170,453,294
Government Securities	2,798,228,073
Government Agency Securities	697,892,085
Mortgage Backed Securities	293,045,136
Corporate Debt	2,381,173,599
Convertible Securities	42,805,302
Common Stock	14,970,113,442
Preferred Stock	136,458,517
Real Estate Investment Trust	310,122,759
Business Development Corporation	29,922,402
Mutual Fund	1,091,268,135
Limited Liability Corporation	1,156,486
Trusts	836,324
Limited Partnerships	5,936,222,130
Total Investments in Securities, at Fair Value	29,482,334,377
Cash	51,354,626
Receivables	
Foreign Exchange Contracts	3,597,062,682
Interest Receivable	55,207,588
Dividends Receivable	29,501,440
Due from Brokers	312,619,681
Foreign Taxes	3,807,095
Securities Lending Receivable	1,092,180
Reserve for Doubtful Receivables	(2,984,630)
Total Receivables	3,996,306,036
Invested Securities Lending Collateral	2,046,720,049
Prepaid Expenses	1,903,965
Total Assets	35,578,619,053
LIABILITIES	
Payables	
Foreign Exchange Contracts	3,557,993,004
Due to Brokers	524,866,433
Income Distribution	1,127,798
Other Payable	157,679
Total Payables	4,084,144,914
Securities Lending Collateral	2,046,720,049
Accrued Expenses	19,822,924
Total Liabilities	6,150,687,887
NET POSITION HELD IN TRUST FOR PARTICIPANTS	\$ 29,427,931,166

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	<u>TOTAL</u>
OPERATIONS	
Investment Income	
Dividends	\$ 745,376,417
Interest	270,523,400
Other Income	3,218,262
Securities Lending	<u>13,301,826</u>
Total Income	1,032,419,905
 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	<u>4,235,001</u>
Total Expenses	<u>84,312,060</u>
 Net Investment Income	<u>948,107,845</u>
 Net Realized Gain (Loss)	613,827,063
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

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

ADDITIONS OPERATIONS	<u>TOTAL</u>
Investment Income	
Dividends	\$ 747,876,481
Interest	181,792,299
Other Income	10,731,801
Securities Lending	18,418,651
Total Income	<u>958,819,232</u>
Expenses	
Investment Advisory Fees	71,448,062
Custody and Transfer Agent Fees	3,337,960
Professional Fees	3,168,514
Security Lending Fees	2,494,006
Security Lending Rebates	1,617,639
Investment Expenses	4,804,501
Total Expenses	<u>86,870,682</u>
Net Investment Income	<u>871,948,550</u>
Net Realized Gain (Loss)	1,280,009,316
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	625,828,545
Net Increase (Decrease) in Net Position Resulting from Operations	<u>2,777,786,411</u>
Unit Transactions	
Purchase of Units by Participants	4,981,449,103
TOTAL ADDITIONS	<u>7,759,235,514</u>
DEDUCTIONS	
Administrative Expenses:	
Salary and Fringe Benefits	(4,261,320)
Distributions to Unit Owners:	
Income Distributed	(813,186,252)
Unit Transactions	
Redemption of Units by Participants	(4,977,740,800)
TOTAL DEDUCTIONS	<u>(5,795,188,372)</u>
Change in Net Position Held in Trust for Participants	<u>1,964,047,142</u>
Net Position- Beginning of Period	<u>23,976,761,898</u>
Net Position- End of Period	<u>\$ 25,940,809,040</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 internal 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, 2014.

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 class 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, 2014, the Fund held MBSs of \$60,655,252 and ABSs of \$129,766,609.

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, 2014, 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 \$20 million. Consistent with the cash adjusted fair value presentation this increase will be considered for the next period adjustment.

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Mutual Equity Fund

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

Core Fixed Income Fund

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

"When-issued" securities held in the 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, 2014, the CIF held MBSs of \$232,363,919 and ABSs of \$40,247,817.

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, 2014 the CIF's holdings had a fair value of \$1,478,497 and a cost of \$3,274,403. 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, 2014, 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 \$6 million. Consistent with the cash adjusted fair value presentation this increase 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.

"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.

COMBINED INVESTMENT FUNDS
NOTES TO FINANCIAL STATEMENTS (Continued)

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.

The Emerging Market Debt Fund sometimes invests in 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, 2014, the CIF held ABSs, consisting of swaps and resulting in a fair value of (\$336,110).

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, 2014, 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 \$194,000. 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,

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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, 2014, 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 \$53 million. Consistent with the cash adjusted fair value presentation this increase will be considered for the next quarter's adjustment.

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Commercial Mortgage Fund

This CIF invests in commercial mortgage loans and mortgage backed securities generally through indirect ownership vehicles such as trusts and corporations. 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.

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, 2014, 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 \$47 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.

COMBINED INVESTMENT FUNDS
NOTES TO FINANCIAL STATEMENTS (Continued)

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, 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

Net investment income earned by the CIFs was distributed monthly to the unit owners of the CIFs generally in the following month. 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, 2014, 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:

<u>CIF</u>	<u>Cost</u>	<u>Fair Value</u>
Liquidity	\$ 115,627,193	\$ 115,140,605
Core Fixed Income	147,422,907	146,331,117
Emerging Market Debt	3,516,223	3,520,691
High Yield Debt	23,720,090	24,685,372

Asset Backed Securities:

<u>CIF</u>	<u>Cost</u>	<u>Fair Value</u>
Liquidity	\$ 129,964,434	\$ 129,766,609
Core Fixed Income	40,013,314	40,247,817
Emerging Market Debt	(730,067)	(336,110)

Mortgage Backed Securities, Net of CMO's:

<u>CIF</u>	<u>Cost</u>	<u>Fair Value</u>
Liquidity	\$ 60,692,633	\$ 59,836,097
Core Fixed Income	139,572,121	138,237,088

CMO's:

<u>CIF</u>	<u>Cost</u>	<u>Fair Value</u>
Liquidity	\$ 867,451	\$ 819,154
Core Fixed Income	90,894,766	94,126,830

COMBINED INVESTMENT FUNDS
NOTES TO FINANCIAL STATEMENTS (Continued)

TBA's:		
CIF	Cost	Fair Value
Core Fixed Income	\$ 134,768,797	\$ 135,752,246

Interest Only:		
CIF	Cost	Fair Value
Core Fixed Income	\$ 3,274,403	\$ 1,478,497

The Emerging Market Debt Fund held futures with a notional cost of \$5,576,855 and an unrealized loss of \$36,004 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 \$109,729,798 and an unrealized loss of \$898,780 reported in the Due from Brokers in the Statement of Net Position.

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

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

I. COMBINATION/ELIMINATION ENTRY

The financial statements depict a full presentation of each of the 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, 2014:

CIF	Netted	Capitalized	Expensed	Total
Alternative Investment	\$ 8,080,420	\$ 727,344	\$ -	\$ 8,807,764
Core Fixed Income	620,127	-	3,050,708	3,670,835
Private Investment	14,443,909	17,687,083	3,930,562	36,061,554
Real Estate	10,429,168	1,931,031	4,423,275	16,783,474

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

In addition, realized gains and losses are not reported at the level of the CIF's investment since these relate to realized gains and losses on the underlying securities held by the CIFs' investment vehicles. The following is the CIF's share of such net realized gains and losses for the fiscal year ended June 30, 2014:

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

Periodically the Private Investment and Real Estate Funds may receive security distributions in lieu of cash. These securities are included as Common Stock and Real Estate Investment Trust, respectively on the Statement of Net Position. When one of these individual securities is sold the realized gain or loss is presented on the Statement of Changes in Net Position. The Private Investment and Real Estate Funds incurred realized gain of \$2,680,161 and \$16,618,094 respectively for such transactions for the fiscal year ended June 30, 2014.

The Liquidity, Mutual Equity, Emerging Market Debt, Emerging Market International Stock and the Developed Market International Stock Funds include investments in a limited partnership and investments in mutual funds. Fees incurred from these investments are deducted from the operations of the 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, 2014:

CIF	Amount
Liquidity	\$ 620,408
Mutual Equity	106
Emerging Market Debt	5,329,276
Emerging Market International Stock	898,396
Developed Market International Stock	51,443

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 conform to the current year presentation.

L. RELATED PARTY AND OTHER TRANSACTIONS

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

M. ESTIMATES

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

NOTE 2: DEPOSITS, INVESTMENTS AND SECURITIES LENDING PROGRAM

Deposits:

The 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

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2014, the reported amount of Funds deposits were \$51,354,626 and the bank balance was \$51,354,626. Of the bank amount, \$51,354,626 was uncollateralized and uninsured. Through the Securities Lending Program \$2,019,551,189 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 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 2014 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	\$2,684,820,958	38.32 %
Aa	250,385,588	3.57
A	443,438,936	6.33
Baa	770,167,963	10.99
Ba	342,105,164	4.88
B	721,141,838	10.29
Caa	295,656,509	4.22
C	594,000	0.01
Mig	1,990,279	0.03
Prime 1	199,453,828	2.85
Prime 2	15,097,244	0.22
Withdrawn rating	59,384,601	0.85
U.S. Government fixed income securities (not rated)	141,618,577	2.02
Non U.S. Government fixed income securities (not rated)	162,929,110	2.33
Not Rated	917,449,587	13.09
	<u>\$7,006,234,182</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 \$2,019,551,189 is invested in various short term repurchase agreements classified which is classified as cash equivalents.

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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, various long term items, and restricted assets by maturity in years.

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	More Than 10
Cash Equivalents	\$ 622,636,693	\$ 622,636,693	\$ -	\$ -	\$ -
Asset Backed Securities	170,453,294	3,042,979	161,333,172	3,762,094	2,315,049
Government Securities	2,798,228,073	96,911,381	1,291,865,300	786,625,711	622,825,681
Government Agency Securities	697,892,085	92,833,818	109,669,144	7,247,103	488,142,020
Mortgage Backed Securities	293,045,136	1,289,718	83,851,913	20,124,186	187,779,319
Corporate Debt	2,381,173,599	347,219,109	745-313-720	1,021,734,809	266,905,961
Convertible Debt	42,805,302	4,338,318	19,169,282	632,007	18,665,695
	<u>\$7,006,234,182</u>	<u>\$1,168,272,016</u>	<u>\$2,411,202,531</u>	<u>\$1,840,125,910</u>	<u>\$1,586,633,725</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	Cash	Fixed Income Securities				Equities		
			Government Securities	Corporate Debt	Convertible Securities	Asset Backed	Common Stock	Preferred Stock	Real Estate Investment Trust
Argentine Peso	\$ 90,243	\$ 90,243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Australian Dollar	421,324,971	1,692,739	26,280,904	53,561,366	-	-	321,855,328	-	17,934,634
Brazilian Real	251,661,948	1,825,188	56,208,509	1,338,642	-	(25,877)	155,369,201	36,946,285	-
Canadian Dollar	75,368,207	1,275,453	-	-	-	-	74,092,754	-	-
Chilean Peso	762,375	73,653	-	-	-	-	688,722	-	-
China Yuan Renminbi	844,549	68,375	776,174	-	-	-	-	-	-
Colombian Peso	27,942,527	-	20,213,135	7,729,392	-	-	-	-	-
Czech Koruna	15,453,983	90,405	-	-	-	-	15,363,578	-	-
Danish Krone	100,401,728	559,202	-	2,324,568	-	-	97,517,958	-	-
Egyptian Pound	4,618,924	(3,536)	-	-	-	-	4,622,460	-	-
Euro Currency	2,082,174,479	7,421,229	71,857,095	19,087,144	548,208	573,918	1,928,201,509	41,909,740	12,575,636
Ghana Cedi	195,681	-	-	195,681	-	-	-	-	-
Hong Kong Dollar	617,005,312	3,019,851	-	-	-	55,742	610,930,107	-	2,999,612
Hungarian Forint	40,028,097	130,503	7,774,194	-	-	-	32,123,400	-	-
Iceland Krona	2,116	2,116	-	-	-	-	-	-	-
Indian Rupee	2,038,845	-	1,548,403	490,442	-	-	-	-	-
Indonesian Rupiah	95,945,242	312,287	36,069,707	4,358,152	-	-	55,205,096	-	-
Israeli Shekel	16,995,994	125,857	-	-	-	-	16,870,137	-	-
Japanese Yen	1,212,080,055	6,907,896	28,720,178	-	-	-	1,166,917,149	-	9,534,832
Kenyan Shilling	2,661	2,661	-	-	-	-	-	-	-
Malaysian Ringgit	84,430,164	123,047	46,487,440	-	-	-	37,819,677	-	-
Mexican Peso	156,709,109	944,376	96,931,961	4,786,039	-	(66,161)	51,954,604	-	2,158,290
New Taiwan Dollar	(19,789)	-	-	-	-	(19,789)	-	-	-
New Turkish Lira	131,485,265	101,148	37,155,639	-	-	-	93,662,434	-	566,044
New Zealand Dollar	76,327,884	798,789	59,149,815	-	-	-	16,379,280	-	-
Nigerian Naira	5,153,538	-	2,561,300	2,592,238	-	-	-	-	-
Norwegian Krone	84,769,361	1,050,540	13,365,451	-	-	-	70,353,370	-	-
Peruvian Nuevo Sol	3,782,846	8,455	3,774,391	-	-	-	-	-	-
Philippine Peso	54,374,623	6,534	2,431,271	-	-	-	51,936,818	-	-
Polish Zloty	132,425,961	102,132	77,054,213	-	-	-	55,269,616	-	-
Pound Sterling	1,219,773,794	4,486,693	16,009,844	1,760,941	-	-	1,181,936,875	74,504	15,504,937

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Romanian Leu	8,812,577	66,448	8,746,129	-	-	-	-	-	-
Russian Ruble	37,584,983	470,171	28,636,185	8,478,627	-	-	-	-	-
Singapore Dollar	101,945,849	1,544,176	-	-	-	94,798,542	-	5,603,131	-
South African Rand	125,377,100	288,382	31,965,158	836,644	(102,891)	92,389,807	-	-	-
South Korean Won	326,067,769	76,387	-	-	(109,256)	319,407,897	6,692,741	-	-
Sri Lanka Rupee	45,181	-	-	-	-	45,181	-	-	-
Swedish Krona	184,521,718	1,173,302	-	-	-	183,348,416	-	-	-
Swiss Franc	441,948,176	857,526	-	-	719,235	440,371,415	-	-	-
Thailand Baht	103,792,838	24,388	13,981,541	-	-	89,715,428	-	71,481	-
Uruguayan Peso	3,875,387	-	3,875,387	-	-	-	-	-	-
Vietnam Dong	754,956	-	-	754,956	-	-	-	-	-
	<u>\$8,248,877,227</u>	<u>\$35,716,616</u>	<u>\$691,574,024</u>	<u>\$108,294,832</u>	<u>\$548,208</u>	<u>\$1,024,921</u>	<u>\$7,259,146,759</u>	<u>\$85,623,270</u>	<u>\$66,948,597</u>

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. As of October 31, 2013 the Funds replaced State Street Bank and Trust with Deutsche Bank AG ("Agent").

During the period ended June 30, 2014, both Agents lent certain securities during their respective periods 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, 2014, the CIFs had no credit risk exposure to borrowers. The fair value of collateral held for the CIFs as of June 30, 2014 was \$2,019,191,240 as cash. The fair value of securities on loan for the CIFs as of June 30, 2014 was \$1,952,250,049 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, 2014 the cash collateral investment pool had an average duration of 7.58 days and an average weighted final maturity 15.85 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, 2014:

CIF	Fair Value of Collateral	Fair Value of Securities Lent
Mutual Equity	\$573,788,915	\$560,242,153
Core Fixed Income	192,584,640	189,464,203
Inflation Linked Bond	476,609,924	471,126,142
Emerging Market Debt	12,343,335	12,089,946
High Yield Investment	254,292,142	248,658,777
Developed Market International Stock	265,220,546	251,211,526
Emerging Market International Stock	271,880,547	263,952,948
Total	<u>\$2,046,720,049</u>	<u>\$1,996,745,695</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:

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

CIF	Cash Equivalents
Mutual Equity	\$ 573,891,206
Core Fixed Income	192,618,981
Inflation Linked Bond	476,694,874
Emerging Market Debt	12,345,538
High Yield Investment	254,337,474
Developed Market International Stock	258,612,156
Emerging Market International Stock	251,050,960
Total	<u>\$2,019,551,189</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".

NOTE 3: PURCHASES AND SALES OF INVESTMENT SECURITIES

For the period ended June 30, 2014, the aggregate cost of purchases and proceeds from sales of investment securities were as follows:

CIF	Purchases	Sales
Alternative Investment	\$212,075,390	\$191,621,686
Mutual Equity	2,523,136,567	3,109,722,787
Core Fixed Income	11,777,099,358	11,264,425,663
Inflation Linked Bond	2,360,450,948	2,177,637,623
Emerging Market Debt	1,206,483,146	1,113,317,059
High Yield Investment	1,874,665,592	1,627,151,978
Developed Market International Stock	3,775,498,038	4,167,953,042
Emerging Market International Stock	1,880,918,833	1,832,672,795
Real Estate	961,548,325	1,109,265,987
Commercial Mortgage	57,106	52,068
Private Investment	1,570,945,485	1,368,816,780

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, 2014, 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	\$ 9,407,665	\$ 8,010,408	\$ 1,397,257
Alternative Investment	140,140,182	242,896	139,897,286
Mutual Equity	2,565,025,980	122,983,145	2,442,042,835
Core Fixed Income	65,233,333	20,027,088	45,206,245
Inflation Linked Bond	22,794,192	4,965,900	17,828,292
Emerging Market Debt	73,878,329	43,974,821	29,903,508
High Yield Investment	88,524,113	15,769,535	72,754,578
Developed Market International Stock	1,428,593,665	133,454,322	1,295,139,343
Emerging Market International Stock	472,646,019	105,342,630	367,303,389
Real Estate	173,225,797	142,353,902	30,871,895
Commercial Mortgage	-	114	(114)
Private Investment	590,765,772	120,896,950	469,868,822

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

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2014, the CIFs had recorded unrealized gains (losses) from open forward currency contracts as follows:

Liquidity Funds:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Canadian Dollar	\$ 3,647,860	\$ 79,432
Chilean Peso	11,115,293	34,779
Chinese R Yuan Hk	3,221,000	12,249
Chinese Yuan Renminbi	6,566,000	37,642
Colombian Peso	12,902,729	231,134
Czech Koruna	15,950,835	135,723
Euro Currency Unit	47,440,624	100,343
Ghanaian Cedi	3,664,521	(145,817)
Hungarian Forint	9,719,029	(164,879)
Indian Rupee	10,676,000	(37,937)
Indonesian Rupiah	9,780,332	(118,609)
Israeli Shekel	1,834,665	15,550
Japanese Yen	16,732,270	49,232
Kazakhstan Tenge	8,767,000	199,284
Malaysian Ringgit	21,355,927	119,547
Mexican New Peso	9,339,000	(21,256)
New Taiwan Dollar	9,677,612	51,289
New Turkish Lira	11,271,870	79,658
Nigerian Naira	7,178,000	26,809
Norwegian Krone	3,520,393	9,581
Peruvian Nuevo Sol	12,723,000	87,766
Philippines Peso	12,785,000	44,112
Polish Zloty	13,218,500	59,512
Romanian Leu	15,813,068	225,230
Russian Ruble	9,646,000	(65,258)
South African Rand	7,058,244	(110,675)
Serbian Dinar	11,145,867	79,389
South Korean Won	29,302,842	446,683
Swedish Krona	589,730	(10,123)
Thailand Baht	4,413,000	5,871
Uganda Shilling	11,958,651	(68,562)
Ukraine Hryvana	3,200,000	45,587
Uruguayan Peso	6,458,298	157,019
Zambia Kwacha	10,862,000	337,399
	373,535,160	1,927,704
Contracts to Sell:		
Australian Dollar	69,696,951	(928,753)
Brazilian Real	8,188,679	(122,360)
Chilean Peso	3,130,000	(14,179)
Chinese Yuan Renminbi	173,224	(22)
Colombian Peso	4,025,000	(11,564)
Czech Koruna	-	(127,686)
Danish Krone	2,344,383	3,669
Euro Currency Unit	132,999,287	42,111
Ghanaian Cedi	347,000	(5,807)
Hungarian Forint	-	12,916

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Japanese Yen	23,394,303	(102,742)
Kazakhstan Tenge	2,400,000	(7,973)
Malaysian Ringgit	2,448,137	(3,389)
Mexican New Peso	21,405,369	13,057
New Zealand Dollar	58,570,371	(992,232)
Norwegian Krone	13,166,822	282,475
Polish Zloty	38,426,910	(392,975)
Serbian Dinar	-	(51,167)
Uganda Shilling	2,259,308	2
Zambia Kwacha	1,544,001	28,933
	<u>384,519,745</u>	<u>(2,377,686)</u>
Total	\$ 758,054,905	\$ (449,982)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 758,054,905	\$ 758,054,905	\$ -
Unrealized Gain/Loss	1,927,704	(2,377,686)	(449,982)
Net	<u>\$ 759,982,609</u>	<u>\$ 760,432,591</u>	<u>\$ (449,982)</u>

Core Fixed Income Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Pound Sterling	\$ 863,898	\$ (562)
	<u>863,898</u>	<u>(562)</u>

Contracts to Sell:

Euro Currency Unit	729,756	6,784
Pound Sterling	1,712,433	(14,378)
	<u>2,442,189</u>	<u>(7,594)</u>
Total	<u>\$ 3,306,087</u>	<u>\$ (8,156)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 3,306,087	\$ 3,306,087	\$ -
Unrealized Gain/Loss	(562)	(7,594)	(8,156)
Net	<u>\$ 3,305,525</u>	<u>\$ 3,313,681</u>	<u>\$ (8,156)</u>

Inflation Linked Bond Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Pound Sterling	\$ 119,025	\$ 624
	<u>119,025</u>	<u>624</u>

Contracts to Sell:

Pound Sterling	15,368,991	(240,012)
	<u>15,368,991</u>	<u>(240,012)</u>
Total	<u>\$ 15,488,016</u>	<u>\$ (239,388)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 15,488,016	\$ 15,488,016	\$ -
Unrealized Gain/Loss	624	(240,012)	(239,388)
Net	<u>\$ 15,488,640</u>	<u>\$ 15,728,028</u>	<u>\$ (239,388)</u>

Emerging Market Debt Fund:

Local Currency Name	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Chilean Peso	\$ 429,680	\$ 3,917
Chinese Yuan Renminbi	1,025,683	(249)
Colombian Peso	2,888,000	52,121
Euro Currency Unit	894,271	(4,301)
Hungarian Forint	6,036,126	(15,567)
Indian Rupee	1,859,903	(30,610)
Indonesian Rupiah	425,627	(2,700)
Malaysian Ringgit	8,546,209	48,539
Mexican New Peso	5,785,410	28,193
New Turkish Lira	3,269,425	(4,478)
Philippines Peso	4,638,147	15,446

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Polish Zloty	1,892,927	(927)
Russian Ruble (New)	3,272,195	60,885
South African Rand	3,007,082	19,221
South Korean Won	538,361	4,060
Thailand Baht	1,310,449	2,867
	<u>45,819,495</u>	<u>176,417</u>

Contracts to Sell:

Brazilian Real	368,748	(5,971)
Colombian Peso	1,341,314	(9,110)
Euro Currency Unit	9,746,209	15,582
Hungarian Forint	13,109	(17)
Indonesian Rupiah	82,050	873
Malaysian Ringgit	1,162,000	(351)
New Turkish Lira	27,376	(26)
Peruvian Nuevo Sol	89,953	(251)
Philippines Peso	2,218,989	(7,709)
Pound Sterling	252,804	(2,421)
Russian Ruble	7,447,997	(106,556)
	<u>22,750,549</u>	<u>(115,957)</u>
Total	\$ 68,570,044	\$ 60,460

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 68,570,044	\$ 68,570,044	\$ -
Unrealized Gain/Loss	176,417	(115,957)	60,460
Net	\$ 68,746,461	\$ 68,686,001	\$ 60,460

High Yield Debt Fund:

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

Euro Currency Unit	\$ 573,213	\$ (139)
	<u>573,213</u>	<u>(139)</u>

Contracts to Sell:

Euro Currency Unit	11,917,427	(100,620)
Pound Sterling	1,515,637	(14,512)
	<u>13,433,064</u>	<u>(115,132)</u>
Total	\$ 14,006,277	\$ (115,271)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 14,006,277	\$ 14,006,277	\$ -
Unrealized Gain/Loss	(139)	(115,132)	(115,271)
Net	\$ 14,006,138	14,121,409	\$ (115,271)

Developed Market International Stock Fund:

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

Australian Dollar	\$ 238,978,458	\$ 3,870,721
Canadian Dollar	11,602,447	268,340
Danish Krone	1,248,377	9,508
Euro Currency Unit	69,255,931	(9,800)
Hong Kong Dollar	11,291,036	(1,125)
Israeli Shekel	4,530,321	46,380
Japanese Yen	73,760,108	323,033
New Zealand Dollar	186,132,853	4,469,346
Norwegian Krone	58,550,511	(1,573,452)
Pound Sterling	53,779,123	739,306
Singapore Dollar	2,318,258	16,765
Swedish Krona	3,165,459	(74,856)
Swiss Franc	5,078,691	7,356
	<u>719,691,573</u>	<u>8,091,522</u>

Contracts to Sell:

Australian Dollar	56,225,607	(947,991)
Canadian Dollar	11,547,244	(229,810)
Danish Krone	43,695,148	86,187

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Euro Currency Unit	1,096,890,695	4,563,092
Hong Kong Dollar	33,209,302	(8,934)
Israeli Shekel	1,425,566	(22,620)
Japanese Yen	460,463,553	(8,537,846)
New Zealand Dollar	58,960,325	(2,206,959)
Norwegian Krone	94,807,875	1,563,197
Pound Sterling	454,862,944	(11,080,827)
Singapore Dollar	42,697,561	(401,974)
Swedish Krona	135,157,026	2,754,130
Swiss Franc	227,669,678	(1,430,537)
	<u>2,717,612,524</u>	<u>(15,900,892)</u>
Total	<u>\$ 3,437,304,097</u>	<u>\$ (7,809,370)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 3,437,304,097	\$ 3,437,304,097	\$ -
Unrealized Gain/Loss	8,091,522	(15,900,892)	(7,809,370)
Net	<u>\$ 3,445,395,619</u>	<u>\$ 3,453,204,989</u>	<u>\$ (7,809,370)</u>

Emerging Market International Stock Fund:

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

Brazilian Real	\$ 83,851	\$ (354)
Mexican New Peso	283,000	572
Philippines Peso	477,927	(413)
Thailand Baht	269,025	42
	<u>1,113,803</u>	<u>(153)</u>

Contracts to Sell:

Indonesian Rupiah	231,673	(477)
Malaysian Ringgit	530,168	280
Mexican New Peso	520,138	(1,418)
Philippines Peso	340,400	(320)
Thailand Baht	201,159	380
	<u>1,823,538</u>	<u>(1,555)</u>
Total	<u>\$ 2,937,341</u>	<u>\$ (1,708)</u>

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$ 2,937,341	\$ 2,937,341	\$ -
Unrealized Gain/Loss	(153)	(1,555)	(1,708)
Net	<u>\$ 2,937,188</u>	<u>\$ 2,938,896</u>	<u>\$ (1,708)</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, 2014, were as follows:

CIF	Total Commitment	Cumulative Amounts Funded	Unfunded Commitment
Real Estate	\$ 2,701,068,230	\$ 2,087,112,583	\$ 613,955,647
Private Investment	6,121,345,934	4,958,016,791	1,163,329,143
Alternative Investment	1,200,000,000	1,161,160,755	38,839,245
Core Fixed Income	550,000,000	550,000,000	-
High Yield	150,000,000	30,279,854	119,720,146

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

COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

NOTE 7: CONTINGENCY

There was no pending or threatened litigation against the Connecticut Retirement Plans and Trust Funds ("CRPTF") during the fiscal year ended June 30, 2014.

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"), have waited for 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 notice from the Securities and Exchange Commission ("SEC"), informing them of the conclusion of its related case and pending distribution of disgorged assets. Such distribution is expected to occur in fiscal year ending June 30, 2015.

On March 8, 2006, the SEC brought an 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. Final judgment was entered into by certain of the defendants on April 12, 2006, requiring disgorgement and civil penalties totaling

NOTE 9: COST BASIS OF INVESTMENTS

The aggregate cost values of investments in the CIFs are as follows at June 30, 2014:

	LIQUIDITY FUND	ALTERNATIVE INVESTMENT FUND	MUTUAL EQUITY FUND	CORE FIXED INCOME FUND	INFLATION LINKED BOND FUND
Investments in Securities, at Cost					
Liquidity Fund	\$ -	\$52,291,692	\$60,179,198	\$167,422,420	\$60,561,031
Cash Equivalents	619,902,143	-	-	-	-
Asset Backed Securities	129,964,434	-	-	40,013,314	-
Government Securities	450,482,574	-	-	527,546,518	997,100,472
Government Agency Securities	184,447,850	-	-	501,557,013	-
Mortgage Backed Securities	61,560,084	-	-	230,466,887	-
Corporate Debt	440,393,416	-	-	481,062,661	-
Convertible Securities	-	-	-	-	-
Common Stock	-	-	4,390,901,024	5,000,000	-
Preferred Stock	-	-	-	3,401,442	-
Real Estate Investment Trust	-	-	157,756,832	22,169,630	-
Business Development Corp					
Mutual Fund	295,432,613	-	167,657	-	-
Limited Liability Corporation	-	-	-	-	-
Trusts	-	-	-	-	-
Limited Partnerships	-	1,157,788,472	3,965,335	550,000,000	-
Partnerships	-	-	-	-	-
Annuities	-	-	-	-	-
Total Investments in Securities, at cost	\$2,182,183,113	\$1,210,080,164	\$4,612,970,046	\$2,528,639,885	\$1,057,661,503

COMBINED INVESTMENT FUNDS
NOTES TO FINANCIAL STATEMENTS (Continued)

\$100,002. Final judgment was entered into against the remaining defendant on June 9, 2010, requiring disgorgement of \$4,049,000, together with pre-judgment interest thereon in the amount of \$1,907,935. All but \$600,000 of the disgorgement and interest were waived. The defendant was ordered to pay the \$600,000 in seven installments and on May 23, 2013 made the final payment. As of May 9, 2014, the amount in the Distribution Fund was \$700,685.01.

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

NOTE 8: SUBSEQUENT EVENT

The CRPTF has performed an evaluation of subsequent events through December 31, 2014, 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
\$48,412,930	\$104,882,480	\$106,588,534	\$75,016,721	\$80,712,583	\$41,758	\$267,967,265
200,000	-	2,534,550	-	-	-	-
(730,067)	-	-	-	-	-	-
738,560,019	52,102,472	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	25,965	-
141,567,338	1,254,684,979	-	-	-	-	-
-	34,758,968	-	-	-	-	-
395,023	6,296,662	4,598,557,676	1,970,943,817	-	-	-
474,144	14,341,643	31,168,578	87,437,106	-	-	-
-	22,879,212	54,883,912	2,836,874	-	-	-
-	30,279,854	-	-	-	-	-
541,286,731	-	12,888,898	141,893,350	-	-	-
-	-	-	-	-	-	1,432,734
-	-	-	-	8,193,224	-	-
-	-	-	-	1,389,979,570	-	2,179,709,361
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$1,470,166,119	\$1,520,226,270	\$ 4,806,622,148	\$2,278,127,868	\$1,478,885,377	\$67,723	\$ 2,449,109,360

COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS (Continued)

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	HIGH YIELD DEBT					DEVELOPED MARKET INTERNATIONAL				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Net Position- Beginning of Period	\$125.63	\$121.79	\$122.95	\$113.69	\$98.48	\$378.32	\$314.31	\$366.79	\$295.58	\$270.69
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	7.86	8.37	9.22	10.40	9.33	13.40	10.35	9.49	8.68	6.97
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	7.30	2.22	(1.87)	7.36	14.19	70.75	60.42	(54.79)	68.92	23.23
Total from Investment Operations	15.16	10.59	7.35	17.76	23.52	84.15	70.77	(45.30)	77.60	30.20
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(0.99)	(6.75)	(8.51)	(8.50)	(8.31)	(2.33)	(6.76)	(7.18)	(6.39)	(5.31)
Net Position - End of Period	\$139.80	\$125.63	\$121.79	\$122.95	\$113.69	\$460.14	\$378.32	\$314.31	\$366.79	\$295.58
TOTAL RETURN	12.24%	8.46%	6.23%	15.96%	24.54%	22.31%	22.56%	-12.48%	26.30%	11.03%
RATIOS										
Net Position - End of Period (\$000,000 Omitted)	\$1,588	\$1,248	\$711	\$718	\$693	\$6,135	\$5,447	\$4,626	\$5,409	\$4,435
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.35%	0.36%	0.38%	0.39%	0.39%	0.40%	0.43%	0.45%	0.51%	0.54%
Ratio of Expenses to Average Net Position	0.36%	0.39%	0.41%	0.42%	0.43%	0.40%	0.45%	0.47%	0.53%	0.57%
Ratio of Net Investment Income (Loss) to Average Net Position	5.91%	6.07%	7.54%	8.67%	8.92%	3.17%	3.02%	2.79%	2.62%	2.49%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	EMERGING MARKET INTERNATIONAL STOCK					REAL ESTATE				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Net Position- Beginning of Period	\$358.76	\$351.61	\$416.41	\$327.75	\$264.93	\$36.46	\$35.21	\$33.72	\$30.40	\$38.76
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	6.81	6.36	9.28	7.00	6.05	(0.97)	2.04	0.89	1.44	0.88
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	34.08	5.57	(67.82)	86.38	61.21	4.84	1.55	1.51	3.40	(8.62)
Total from Investment Operations	40.89	11.93	(58.54)	93.38	67.26	3.87	3.59	2.40	4.84	(7.74)
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(2.53)	(4.78)	(6.26)	(4.72)	(4.44)	(0.85)	(2.34)	(0.91)	(1.52)	(0.62)
Net Position - End of Period	\$397.12	\$358.76	\$351.61	\$416.41	\$327.75	\$39.48	\$36.46	\$35.21	\$33.72	\$30.40
TOTAL RETURN	11.50%	3.29%	-14.16%	28.55%	25.23%	10.66%	10.26%	7.19%	16.12%	-20.18%
RATIOS										
Net Position - End of Period (\$000,000 Omitted)	\$2,655	\$2,369	\$2,227	\$2,638	\$2,073	\$1,510	\$1,482	\$1,328	\$1,097	\$784
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.69%	0.84%	0.72%	0.85%	0.87%	0.55%	0.35%	0.33%	0.43%	0.51%
Ratio of Expenses to Average Net Position	0.70%	0.85%	0.73%	0.86%	0.89%	0.55%	0.35%	0.33%	0.43%	0.51%
Ratio of Net Investment Income (Loss) to Average Net Position	1.81%	1.78%	2.42%	1.90%	2.15%	-2.50%	5.56%	2.59%	4.62%	2.54%

FISCAL YEAR ENDED JUNE 30, PER SHARE DATA	COMMERCIAL MORTGAGE					PRIVATE INVESTMENT				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Net Position- Beginning of Period	\$30.36	\$40.34	\$46.54	\$48.51	\$49.48	\$48.06	\$49.83	\$51.00	\$49.63	\$44.43
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	5.47	5.59	2.47	3.51	3.76	4.72	5.51	4.09	7.58	2.97
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	(2.38)	(7.62)	(5.34)	(1.35)	(0.51)	2.79	(1.23)	(1.24)	1.50	4.59
Total from Investment Operations	3.09	(2.03)	(2.87)	2.16	3.25	7.51	4.28	2.85	9.08	7.56
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	-	(7.95)	(3.33)	(4.13)	(4.22)	(0.85)	(6.05)	(4.02)	(7.71)	(2.36)
Net Position - End of Period	\$33.45	\$30.36	\$40.34	\$46.54	\$48.51	\$54.72	\$48.06	\$49.83	\$51.00	\$49.63
TOTAL RETURN	10.17%	0.88%	-6.48%	4.61%	6.75%	16.06%	9.50%	5.92%	19.89%	17.32%
RATIOS										
Net Position - End of Period (\$000,000 Omitted)	\$-	\$-	\$1	\$2	\$4	\$2,919	\$2,550	\$2,572	\$2,232	\$2,014
Ratio of Expenses to Average Net Position (excl. sec. lending fees & rebates)	0.00%	6.26%	1.65%	0.97%	1.21%	0.22%	0.29%	0.36%	0.44%	0.55%
Ratio of Expenses to Average Net Position	0.00%	6.26%	1.65%	0.97%	1.21%	0.22%	0.29%	0.36%	0.44%	0.55%
Ratio of Net Investment Income (Loss) to Average Net Position	16.41%	7.11%	5.64%	7.49%	7.77%	9.21%	11.23%	8.09%	15.26%	6.37%

Source: Amounts were derived from custodial records.

SHORT-TERM INVESTMENT FUND

**STATEMENT OF NET POSITION
JUNE 30, 2014**

	<u>June 30, 2014</u>
ASSETS	
Investment in Securities, at Amortized Cost (Note 7)	\$ 4,208,753,819
Accrued Interest and Other Receivables	2,811,699
Prepaid Assets	299,389
Total Assets	<u>\$ 4,211,864,907</u>
LIABILITIES	
Distribution Payable	530,908
Total Liabilities	<u>\$ 530,908</u>
NET POSITION HELD IN TRUST FOR PARTICIPANTS (includes reserve)	<u>\$ 4,211,333,999</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, 2014 AND JUNE 30, 2013**

	2014	2013
ADDITIONS		
Operations		
Interest Income	\$ 8,943,345	\$ 11,119,088
Net Investment Income	8,943,345	11,119,088
Net Realized Gains	106,047	3,695
Net Increase Resulting from Operations	9,049,392	11,122,783
Share Transactions at Fair Value of \$1.00 per Share		
Purchase of Units	11,718,981,266	11,187,389,566
TOTAL ADDITIONS	11,728,030,658	11,198,512,349
DEDUCTIONS		
Distribution to Participants (Notes 2 & 6)		
Distributions to Participants*	(6,299,050)	(7,318,887)
Total Distributions Paid and Payable	(6,299,050)	(7,318,887)
Share Transactions at Fair Value of \$1.00 per Share		
Redemption of Units	(11,985,125,718)	(11,606,571,490)
Operations		
Operating Expenses	(1,993,338)	(1,472,464)
TOTAL DEDUCTIONS	(11,993,418,106)	(11,615,362,841)
<i>* Net of designated reserve transfer contributions and expenses.</i>		
CHANGE IN NET POSITION	(265,387,448)	(416,850,492)
Net POSITION Held in Trust for Participants		
Beginning of Year	4,476,721,447	4,893,571,939
End of Year	\$ 4,211,333,999	\$ 4,476,721,447

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, 2014, the balance in the Designated Surplus Reserve was \$50,343,167 which reflects \$651 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. STIF's investment practice is to invest all cash balances; as such, there was no uninvested cash at June 30, 2014. 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, 2014), 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 \$1,630,000,000. Of that amount, \$750,500,000 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	\$300,000,000	\$299,750,000
JP Morgan	390,000,000	-
Peoples	150,000,000	-
Santander	200,000,000	-
TD Bank	390,000,000	350,750,000
Webster	100,000,000	-
Svenska Handelsbanken	<u>100,000,000</u>	<u>100,000,000</u>
Total	\$1,630,000,000	\$750,500,000

SHORT-TERM INVESTMENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2014 the weighted average maturity of the STIF was 40 days. The breakdown of the STIF's maturity profile is outlined below.

Investments	Amortized Cost	Investment Maturity in Years	
		Less than One	One - Five
Deposit Instruments			
Fixed	\$1,630,000,000	\$1,630,000,000	\$ -
Federal Agency Securities			
Fixed	924,288,950	899,211,978	25,076,973
Floaters	667,170,613	667,170,612	-
Bank Commercial Paper	325,000,000	325,000,000	-
US Government (FDIC) Guaranteed and Insured Securities	128,656,810	128,656,810	-
Government Money Market Funds	283,637,446	283,637,446	-
Repurchase Agreements	250,000,000	250,000,000	-
Total	\$4,208,753,819	\$4,183,676,846	\$25,076,973

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 \$667 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 .

Credit Quality Rating	Amortized Cost	Percentage of Amortized Cost
AAA	\$ 283,637,446	6.74%
AA / A-1+	815,000,000	19.36%
A / A-1	690,000,000	16.39%
A-2	450,000,000	10.69%
N/R	65,000,000	1.54%
Federal Agency and U.S. Govt/Govt Guaranteed Securities	1,905,116,373	45.27%
Total	\$4,208,753,819	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

The Short-Term Investment 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 other than overnight or two-business-day repurchase agreements and U.S. government and agency securities. As of June 30, 2014, 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	\$592,260,445	14.1%
Federal Farm Credit	530,211,744	12.6%
JP Morgan Chase	390,000,000	9.3%
TD Bank	390,000,000	9.3%
US Bank	325,000,000	7.7%
BB&T Company	300,000,000	7.1%
Freddie Mac	265,928,686	6.3%
Merrill Lynch	250,000,000	5.9%

NOTE 4: CUSTODIAN

BNY Mellon was appointed as custodian for STIF effective December 9, 2013. STIF pays a percentage of the approximate \$350,000 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>2014</u>	<u>2013</u>
July	\$589,887	\$715,740
August	407,061	698,925
September	271,572	884,348
October	552,704	721,930
November	489,583	825,425
December	572,477	684,328
January	607,051	608,181
February	558,172	454,326
March	591,688	336,432
April	550,054	333,745
May	577,896	349,361
June (Payable at June 30)	530,908	706,145
Total Distribution Paid & Payable	<u>\$6,299,050</u>	<u>\$7,318,887</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, 2014 :

<u>Investment</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
Deposit Instruments	\$1,630,000,000	\$1,630,000,000
Federal Agency Securities	1,591,459,563	1,591,853,767
Bank Commercial Paper	325,000,000	325,000,000
Government Money Market Funds	283,637,446	283,637,446
US Government Guaranteed/Insured	128,656,810	128,643,966
Repurchase Agreements	250,000,000	250,000,000
TOTAL	<u>\$4,208,753,819</u>	<u>\$4,209,135,179</u>

SHORT-TERM INVESTMENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

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 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 \$250 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, 2014, 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, 2014, STIF was rated AAAM, its highest rating, by Standard and Poor's Corporation ("S&P"). In November 2013, 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, 2014, 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, 2014

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost ⁽¹⁾	Fair Value ⁽¹⁾	Asset ID	Quality Rating
FEDERAL AGENCY SECURITIES (37.81% OF TOTAL INVESTMENTS)						
\$ 4,270,000	FANNIE MAE DISCOUNT NOTE, 0.00, 07/05/14	0.19	\$ 4,269,910	\$ 4,269,927	313586QR3	AA+
5,000,000	FANNIE MAE DISCOUNT NOTE, 0.00, 07/05/14	0.19	4,999,877	4,999,915	313586QR3	AA+
5,000,000	FANNIE MAE DISCOUNT NOTE, 0.00, 12/01/14	0.17	4,996,388	4,998,515	313589R54	AA+
4,863,000	FANNIE MAE, 0.875, 08/28/14	0.18	4,868,347	4,868,986	3135G0BY8	AA+
10,000,000	FANNIE MAE, 0.875, 08/28/14	0.18	10,010,869	10,012,310	3135G0BY8	AA+
8,570,000	FANNIE MAE, 0.875, 08/28/14	0.18	8,580,733	8,580,550	3135G0BY8	AA+
4,800,000	FANNIE MAE, 1.50, 09/08/14	0.18	4,811,966	4,812,389	31398A3G5	AA+
10,000,000	FANNIE MAE, 3.00, 09/16/14	0.20	10,058,944	10,060,860	31398AYY2	AA+
3,000,000	FANNIE MAE, 1.57, 09/24/14	0.20	3,009,554	3,009,735	3136FPLV7	AA+
2,285,000	FANNIE MAE, 1.15, 11/18/14	0.19	2,293,432	2,293,589	31398A6C1	AA+
1,400,000	FANNIE MAE, 2.625, 11/20/14	0.18	1,413,286	1,413,593	31398AZV7	AA+
12,492,000	FANNIE MAE, 2.625, 11/20/14	0.18	12,610,533	12,613,285	31398AZV7	AA+
4,891,000	FANNIE MAE, 2.625, 11/20/14	0.18	4,937,330	4,938,487	31398AZV7	AA+
10,000,000	FANNIE MAE, 0.75, 12/19/14	0.19	10,026,082	10,029,570	3135G0FY4	AA+
15,000,000	FANNIE MAE, 0.375, 03/16/15	0.19	15,019,828	15,025,635	3135G0HG1	AA+
4,850,000	FANNIE MAE, 5.00, 04/15/15	0.20	5,033,573	5,034,746	31359MA45	AA+
3,957,000	FANNIE MAE, 5.00, 04/15/15	0.20	4,108,452	4,107,730	31359MA45	AA+
10,000,000	FANNIE MAE, 5.00, 04/15/15	0.20	10,383,264	10,380,920	31359MA45	AA+
1,527,000	FANNIE MAE, 0.50, 05/27/15	0.15	1,531,808	1,531,211	3135G0KM4	AA+
10,000,000	FANNIE MAE, 0.50, 05/27/15	0.15	10,032,823	10,027,580	3135G0KM4	AA+
15,000,000	FANNIE MAE, 0.50, 07/02/15	0.15	15,052,676	15,048,585	3135G0LN1	AA+
2,825,000	FANNIE MAE, 0.50, 07/02/15	0.15	2,834,867	2,834,150	3135G0LN1	AA+
2,320,000	FANNIE MAE, 0.50, 07/02/15	0.15	2,327,688	2,327,514	3135G0LN1	AA+
3,576,000	FANNIE MAE, 2.375, 07/28/15	0.18	3,660,178	3,659,786	31398AU34	AA+
25,000,000	FANNIE MAE VAR, 0.16, 07/20/14	0.16	25,003,577	25,008,075	3135G0HB2	AA+
6,000,000	FANNIE MAE VAR, 0.16, 07/20/14	0.16	6,001,021	6,001,938	3135G0HB2	AA+
10,542,000	FANNIE MAE VAR, 0.16, 07/20/14	0.16	10,543,804	10,545,405	3135G0HB2	AA+
5,000,000	FANNIE MAE VAR, 0.45, 08/24/14	0.22	5,013,381	5,017,905	3136FRT60	AA+
5,430,000	FED FARM CREDIT, 0.30, 07/18/14	0.21	5,430,219	5,430,456	3133EAYL6	AA+
2,640,000	FED FARM CREDIT, 0.18, 08/25/14	0.19	2,639,970	2,640,428	3133ECVH4	AA+
5,118,000	FED FARM CREDIT, 3.00, 09/22/14	0.17	5,150,863	5,151,559	31331GL80	AA+
6,500,000	FED FARM CREDIT, 0.55, 10/02/14	0.22	6,505,403	6,507,313	3133EAKD9	AA+
1,514,000	FED FARM CREDIT, 0.27, 11/05/14	0.19	1,514,446	1,514,816	3133EA6W3	AA+
2,500,000	FED FARM CREDIT, 4.48, 11/20/14	0.21	2,541,468	2,541,650	31331GFA2	AA+
1,000,000	FED FARM CREDIT, 4.55, 12/15/14	0.23	1,019,717	1,020,229	31331SJK7	AA+
1,025,000	FED FARM CREDIT, 0.25, 12/24/14	0.19	1,025,284	1,025,633	3133ECAV6	AA+
5,000,000	FED FARM CREDIT, 0.16, 02/05/15	0.18	4,999,328	5,000,810	3133EDU2	AA+
2,875,000	FED FARM CREDIT, 3.85, 02/11/15	0.21	2,939,343	2,939,087	31331YSV3	AA+
3,800,000	FED FARM CREDIT, 0.28, 04/09/15	0.18	3,802,997	3,803,808	3133ECKX1	AA+
5,000,000	FED FARM CREDIT, 0.13, 05/01/15	0.13	4,999,914	4,997,360	3133EDKV3	AA+
9,219,000	FED FARM CREDIT, 0.50, 05/01/15	0.13	9,247,228	9,242,140	3133EANJ3	AA+
2,569,000	FED FARM CREDIT, 0.50, 06/23/15	0.16	2,577,484	2,577,365	3133EARQ3	AA+
50,000,000	FED FARM CREDIT VAR, 0.27, 07/21/14	0.27	49,999,446	50,004,900	3133EAM47	AA+
25,000,000	FED FARM CREDIT VAR, 0.13, 07/06/14	0.13	24,998,486	25,004,225	3133ECEV2	AA+
2,000,000	FED FARM CREDIT VAR, 0.18, 07/13/14	0.18	2,000,633	2,001,002	3133EAXP8	AA+
25,000,000	FED FARM CREDIT VAR, 0.24, 08/19/14	0.24	25,000,000	25,020,625	3133ECFR0	AA+
25,000,000	FED FARM CREDIT VAR, 0.12, 07/25/14	0.12	24,997,510	25,003,475	3133ECJU9	AA+
13,000,000	FED FARM CREDIT VAR, 0.15, 07/26/14	0.15	13,000,510	13,004,784	3133EA2J6	AA+
20,000,000	FED FARM CREDIT VAR, 0.23, 07/01/14	0.23	20,000,000	20,017,080	3133ECKJ2	AA+
10,000,000	FED FARM CREDIT VAR, 0.16, 07/01/14	0.16	10,000,000	10,004,070	3133ECKK9	AA+
2,000,000	FED FARM CREDIT VAR, 0.17, 07/23/14	0.17	2,000,493	2,001,092	3133EA5D6	AA+
25,000,000	FED FARM CREDIT VAR, 0.17, 07/23/14	0.17	25,008,284	25,013,650	3133EA5D6	AA+
15,000,000	FED FARM CREDIT VAR, 0.17, 07/23/14	0.17	15,003,743	15,008,190	3133EA5D6	AA+
6,500,000	FED FARM CREDIT VAR, 0.17, 07/27/14	0.17	6,500,825	6,503,510	3133EAJP4	AA+
10,000,000	FED FARM CREDIT VAR, 0.17, 07/27/14	0.17	10,002,510	10,005,400	3133EAJP4	AA+
10,000,000	FED FARM CREDIT VAR, 0.17, 07/27/14	0.17	10,002,939	10,005,400	3133EAJP4	AA+
25,000,000	FED FARM CREDIT VAR, 0.16, 07/04/14	0.16	25,004,334	25,010,150	3133EANX2	AA+
20,000,000	FED FARM CREDIT VAR, 0.20, 08/06/14	0.20	20,000,000	20,013,300	3133ECNL4	AA+
20,000,000	FED FARM CREDIT VAR, 0.17, 07/22/14	0.17	20,007,942	20,012,660	3133EAVE5	AA+
1,100,000	FED FARM CREDIT VAR, 0.15, 07/03/14	0.15	1,099,888	1,100,432	3133ECKN3	AA+
25,000,000	FED FARM CREDIT VAR, 0.15, 07/14/14	0.15	25,003,075	25,009,850	3133ECHK3	AA+
15,000,000	FED FARM CREDIT VAR, 0.21, 07/22/14	0.21	14,998,006	15,013,185	3133ED5G3	AA+
25,000,000	FED FARM CREDIT VAR, 0.20, 09/02/14	0.20	24,999,022	25,018,725	3133EDAW2	AA+
25,000,000	FED FARM CREDIT VAR, 0.21, 07/04/14	0.21	24,998,086	25,022,300	3133ED6A5	AA+
25,000,000	FED FARM CREDIT VAR, 0.21, 07/04/14	0.21	24,998,081	25,022,300	3133ED6A5	AA+

SHORT-TERM INVESTMENT FUND

LIST OF INVESTMENTS AT JUNE 30, 2014 (Continued)

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost ⁽¹⁾	Fair Value ⁽¹⁾	Asset ID	Quality Rating
1,000,000	FED FARM CREDIT VAR, 0.26, 08/26/14	0.26	1,000,509	1,001,705	3133ECYA6	AA+
20,000,000	FED FARM CREDIT VAR, 0.14, 09/29/14	0.14	19,985,866	19,993,100	3133EDMK5	AA+
5,500,000	FED FARM CREDIT VAR, 0.18, 07/02/14	0.18	5,502,302	5,503,839	3133ECNB6	AA+
25,000,000	FED FARM CREDIT VAR, 0.15, 08/05/14	0.15	24,990,665	24,993,600	3133EDL42	AA+
4,500,000	FED FARM CREDIT VAR, 0.25, 07/29/14	0.25	4,505,672	4,506,543	3133EDEE8	AA+
10,000,000	FED HOME LOAN BANK, 0.40, 07/02/14	0.16	10,000,065	10,000,100	313379SK6	AA+
2,500,000	FED HOME LOAN BANK, 0.125, 07/11/14	0.18	2,499,965	2,500,033	313383QB0	AA+
10,000,000	FED HOME LOAN BANK, 0.18, 07/18/14	0.19	9,999,939	10,000,080	313383RW3	AA+
5,800,000	FED HOME LOAN BANK, 0.19, 07/25/14	0.15	5,800,150	5,800,232	313383Q79	AA+
15,000,000	FED HOME LOAN BANK, 0.19, 07/25/14	0.20	14,999,875	15,001,215	313383QF1	AA+
15,000,000	FED HOME LOAN BANK, 0.18, 08/05/14	0.18	15,000,043	15,001,485	313383TK7	AA+
7,900,000	FED HOME LOAN BANK, 0.18, 08/05/14	0.18	7,900,174	7,900,782	313383TK7	AA+
15,000,000	FED HOME LOAN BANK, 5.50, 08/13/14	0.18	15,093,852	15,094,845	3133XLJP9	AA+
10,000,000	FED HOME LOAN BANK, 0.125, 08/22/14	0.19	9,999,110	10,000,700	313383X22	AA+
9,500,000	FED HOME LOAN BANK, 0.17, 09/03/14	0.17	9,500,043	9,500,200	313383YP0	AA+
500,000	FED HOME LOAN BANK, 1.375, 09/12/14	0.19	501,181	501,269	313370JS8	AA+
1,000,000	FED HOME LOAN BANK, 1.375, 09/12/14	0.19	1,002,304	1,002,537	313370JS8	AA+
1,000,000	FED HOME LOAN BANK, 1.375, 09/12/14	0.19	1,002,319	1,002,537	313370JS8	AA+
5,800,000	FED HOME LOAN BANK, 3.25, 09/12/14	0.18	5,835,538	5,836,209	3133XUMR1	AA+
1,140,000	FED HOME LOAN BANK, 1.40, 09/29/14	0.20	1,143,353	1,143,535	3133712M7	AA+
10,000,000	FED HOME LOAN BANK, 0.18, 10/01/14	0.17	10,000,201	10,002,500	3130A03C2	AA+
10,000,000	FED HOME LOAN BANK, 0.125, 10/28/14	0.18	9,998,302	10,000,920	3130A0B41	AA+
20,000,000	FED HOME LOAN BANK, 0.21, 11/07/14	0.18	20,002,305	20,007,720	3130A03Q1	AA+
4,025,000	FED HOME LOAN BANK, 4.75, 11/14/14	0.18	4,093,504	4,093,876	3133XBMT9	AA+
1,000,000	FED HOME LOAN BANK, 4.50, 11/14/14	0.17	1,016,110	1,016,240	3133X9DC1	AA+
15,000,000	FED HOME LOAN BANK, 0.07, 11/20/14	0.09	14,999,018	14,998,035	3130A23A2	AA+
12,750,000	FED HOME LOAN BANK, 0.125, 11/25/14	0.18	12,747,300	12,751,160	3130A0CS7	AA+
3,000,000	FED HOME LOAN BANK, 0.875, 12/12/14	0.20	3,009,071	3,010,080	313371PC4	AA+
2,320,000	FED HOME LOAN BANK, 2.75, 12/12/14	0.19	2,346,643	2,347,021	3133XVNU1	AA+
10,000,000	FED HOME LOAN BANK, 0.125, 01/06/15	0.18	9,997,048	10,000,210	3130A0KC3	AA+
10,000,000	FED HOME LOAN BANK, 0.20, 01/09/15	0.20	10,000,000	10,002,530	3130A0FL9	AA+
5,000,000	FED HOME LOAN BANK, 0.46, 01/14/15	0.11	5,009,325	5,008,935	313378KN0	AA+
9,915,000	FED HOME LOAN BANK, 0.16, 01/16/15	0.17	9,914,197	9,916,735	3130A0PW4	AA+
2,890,000	FED HOME LOAN BANK, 0.25, 01/16/15	0.19	2,890,944	2,892,078	313381H24	AA+
3,900,000	FED HOME LOAN BANK, 0.25, 01/16/15	0.19	3,901,595	3,902,804	313381H24	AA+
20,000,000	FED HOME LOAN BANK, 0.09, 01/20/15	0.12	19,996,985	19,996,640	3130A1QX9	AA+
10,000,000	FED HOME LOAN BANK, 0.21, 01/20/15	0.21	9,999,900	9,997,000	3130A0J43	AA+
15,000,000	FED HOME LOAN BANK, 0.21, 01/20/15	0.21	14,999,850	14,995,500	3130A0J43	AA+
10,000,000	FED HOME LOAN BANK, 0.125, 02/03/15	0.18	9,996,892	9,999,140	3130A0TW0	AA+
4,000,000	FED HOME LOAN BANK, 0.59, 02/05/15	0.21	4,009,026	4,010,668	313378QU8	AA+
3,640,000	FED HOME LOAN BANK, 7.375, 02/13/15	0.21	3,801,730	3,801,714	3133MB2B2	AA+
3,260,000	FED HOME LOAN BANK, 4.75, 02/13/15	0.21	3,351,905	3,352,489	3133XBDM4	AA+
10,000,000	FED HOME LOAN BANK, 0.21, 02/18/15	0.18	10,002,054	10,003,640	3130A0FX3	AA+
10,000,000	FED HOME LOAN BANK, 0.09, 02/19/15	0.11	9,998,573	9,996,220	3130A1Y85	AA+
10,000,000	FED HOME LOAN BANK, 0.25, 02/20/15	0.18	10,004,656	10,006,910	313381YP4	AA+
5,070,000	FED HOME LOAN BANK, 0.25, 02/20/15	0.18	5,072,197	5,073,503	313381YP4	AA+
2,000,000	FED HOME LOAN BANK, 0.21, 02/26/15	0.18	2,000,186	2,000,288	3130A0U73	AA+
10,000,000	FED HOME LOAN BANK, 0.21, 02/27/15	0.21	10,000,000	10,001,160	3130A0UG3	AA+
6,045,000	FED HOME LOAN BANK, 0.375, 03/13/15	0.19	6,052,792	6,055,669	313376ZQ1	AA+
7,500,000	FED HOME LOAN BANK, 2.75, 03/13/15	0.18	7,634,687	7,636,110	3133XWX95	AA+
10,000,000	FED HOME LOAN BANK, 0.125, 03/20/15	0.18	9,996,243	9,994,130	3130A1DR6	AA+
25,000,000	FED HOME LOAN BANK, 0.125, 04/21/15	0.14	24,997,095	24,995,700	3130A1QG6	AA+
10,000,000	FED HOME LOAN BANK, 0.125, 04/21/15	0.14	9,999,854	9,998,280	3130A1QG6	AA+
10,000,000	FED HOME LOAN BANK, 0.20, 04/24/15	0.20	10,000,000	9,998,470	3130A1HR2	AA+
10,000,000	FED HOME LOAN BANK, 0.21, 04/29/15	0.19	10,001,830	10,003,600	3130A0RA0	AA+
15,000,000	FED HOME LOAN BANK, 0.13, 05/08/15	0.14	14,998,471	14,990,730	3130A1VT2	AA+
10,000,000	FED HOME LOAN BANK, 0.125, 06/08/15	0.15	9,997,470	9,991,380	3130A2CL8	AA+
25,000,000	FED HOME LOAN BANK VAR, 0.21, 07/15/14	0.21	25,000,000	25,020,225	313383YD7	AA+
50,000,000	FED HOME LOAN BANK VAR, 0.20, 08/19/14	0.20	50,000,000	50,036,350	313383VX6	AA+
20,000,000	FED HOME LOAN BANK VAR, 0.22, 08/26/14	0.22	20,000,000	20,019,200	313383X30	AA+
25,000,000	FED HOME LOAN BANK VAR, 0.22, 09/04/14	0.22	25,000,000	25,024,175	313383XK2	AA+
25,000,000	FED HOME LOAN BANK VAR, 0.22, 07/07/14	0.22	25,000,000	25,024,950	3130A06X3	AA+
10,300,000	FREDDIE MAC DISCOUNT NOTE, 0.00, 11/24/14	0.16	10,293,218	10,289,422	3134A2HF8	AA+
22,700,000	FREDDIE MAC DISCOUNT NOTE, 0.00, 11/24/14	0.16	22,684,131	22,676,687	3134A2HF8	AA+
3,040,000	FREDDIE MAC, 5.00, 07/15/14	0.23	3,045,565	3,045,764	3134A4UU6	AA+

SHORT-TERM INVESTMENT FUND

LIST OF INVESTMENTS AT JUNE 30, 2014 (Continued)

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost ⁽¹⁾	Fair Value ⁽¹⁾	Asset ID	Quality Rating
4,750,000	FREDDIE MAC, 1.00, 07/30/14	0.14	4,753,251	4,753,430	3137EACU1	AA+
30,000,000	FREDDIE MAC, 0.25, 08/14/14	0.17	30,002,986	30,006,300	3134G3Q52	AA+
8,700,000	FREDDIE MAC, 1.00, 08/20/14	0.19	8,709,667	8,710,640	3134G2UA8	AA+
9,457,000	FREDDIE MAC, 1.00, 08/20/14	0.19	9,467,605	9,468,566	3134G2UA8	AA+
10,000,000	FREDDIE MAC, 1.00, 08/20/14	0.19	10,011,075	10,012,230	3134G2UA8	AA+
5,000,000	FREDDIE MAC, 1.00, 08/20/14	0.19	5,005,760	5,006,115	3134G2UA8	AA+
3,669,000	FREDDIE MAC, 1.00, 08/27/14	0.19	3,673,650	3,674,188	3137EACV9	AA+
8,750,000	FREDDIE MAC, 1.00, 08/27/14	0.19	8,761,190	8,762,373	3137EACV9	AA+
6,000,000	FREDDIE MAC, 1.00, 08/27/14	0.19	6,008,660	6,008,484	3137EACV9	AA+
2,720,000	FREDDIE MAC, 0.375, 08/28/14	0.17	2,720,897	2,721,300	3134G3YW4	AA+
7,350,000	FREDDIE MAC, 0.50, 09/19/14	0.19	7,355,009	7,356,644	3134G2YJ5	AA+
1,000,000	FREDDIE MAC, 0.50, 09/19/14	0.19	1,000,628	1,000,904	3134G2YJ5	AA+
10,000,000	FREDDIE MAC, 0.50, 09/19/14	0.19	10,007,383	10,009,040	3134G2YJ5	AA+
20,000,000	FREDDIE MAC, 0.75, 09/22/14	0.19	20,025,264	20,030,240	3134G2WG3	AA+
20,000,000	FREDDIE MAC, 0.75, 09/22/14	0.19	20,025,713	20,030,240	3134G2WG3	AA+
1,250,000	FREDDIE MAC, 5.00, 10/27/14	0.17	1,269,493	1,269,761	3128X3F32	AA+
2,844,000	FREDDIE MAC, 5.00, 11/13/14	0.18	2,894,676	2,893,722	3128X3L76	AA+
2,300,000	FREDDIE MAC, 5.00, 11/13/14	0.18	2,340,959	2,340,211	3128X3L76	AA+
6,213,000	FREDDIE MAC, 5.00, 11/13/14	0.18	6,323,727	6,321,622	3128X3L76	AA+
3,141,000	FREDDIE MAC, 0.75, 11/25/14	0.19	3,148,092	3,149,204	3137EACY3	AA+
5,363,000	FREDDIE MAC, 0.75, 11/25/14	0.19	5,375,368	5,377,008	3137EACY3	AA+
4,747,000	FREDDIE MAC, 0.75, 11/25/14	0.19	4,757,839	4,759,399	3137EACY3	AA+
1,000,000	FREDDIE MAC, 0.35, 12/05/14	0.19	1,000,699	1,001,032	3134G3H78	AA+
5,700,000	FREDDIE MAC, 0.35, 12/05/14	0.19	5,703,983	5,705,882	3134G3H78	AA+
10,000,000	FREDDIE MAC, 0.625, 12/29/14	0.17	10,022,431	10,024,660	3137EADA4	AA+
7,057,000	FREDDIE MAC, 2.875, 02/09/15	0.18	7,172,941	7,175,198	3137EACH0	AA+
10,433,000	FREDDIE MAC, 0.50, 04/17/15	0.17	10,460,062	10,463,068	3137EADD8	AA+
5,625,000	FREDDIE MAC, 0.50, 04/17/15	0.17	5,639,154	5,641,211	3137EADD8	AA+
15,000,000	FREDDIE MAC, 0.50, 04/17/15	0.17	15,044,375	15,043,230	3137EADD8	AA+
1,200,000	FREDDIE MAC, 0.30, 07/08/15	0.17	1,201,564	1,200,911	3134G4TH1	AA+
\$1,588,722,000			\$ 1,591,459,563	\$ 1,591,853,767		
U. S. GOVERNMENT GUARANTEED (3.06% OF TOTAL INVESTMENTS)						
\$ 30,000,000	FEDERALLY INSURED CUST ACCT, 0.16, 07/02/14 ⁽³⁾	0.16	\$ 30,000,000	\$ 30,000,000	99CEADJ18	NR
35,000,000	FEDERALLY INSURED CUST ACCT, 0.16, 07/02/14 ⁽³⁾	0.16	35,000,000	35,000,000	99CEADJ19	NR
7,000,000	OVERSEAS PRIVATE INV, 0.42, 04/15/16	0.42	7,000,000	7,002,555	690353ZG5	AA+
14,795,000	OVERSEAS PRIVATE INV, 0.39, 05/02/16	0.39	14,795,000	14,780,205	690353ZK6	AA+
11,905,000	PRIVATE EXPORT FUNDING, 3.05, 10/15/14	0.17	12,004,401	12,003,657	742651DH2	AA+
4,682,000	PRIVATE EXPORT FUNDING, 4.55, 05/15/15	0.15	4,861,426	4,857,950	742651DA7	AA+
25,000,000	US TREASURY SEC. VAR, 0.07, 07/31/14	0.07	24,995,982	24,999,600	912828WK2	AA+
\$ 128,382,000			\$ 128,656,810	\$ 128,643,966		
REPURCHASE AGREEMENTS (5.94% OF TOTAL INVESTMENTS)						
\$ 250,000,000	MERRILL LYNCH, 0.10, 07/1/14	0.10	\$ 250,000,000	\$ 250,000,000	N/A	A-1
\$ 250,000,000			\$ 250,000,000	\$ 250,000,000		
DEPOSIT INSTRUMENTS (38.73% OF TOTAL INVESTMENTS)						
\$ 100,000,000	BB&T COMPANY, 0.25, 07/01/14 ⁽²⁾	0.25	\$ 100,000,000	\$ 100,000,000	N/A	A-1
200,000,000	BB&T COMPANY, 0.25, 07/01/14 ⁽²⁾	0.25	200,000,000	200,000,000	N/A	A-1
390,000,000	JP MORGAN CHASE BANK, 0.25, 07/01/14 ⁽²⁾	0.25	390,000,000	390,000,000	N/A	A-1
50,000,000	PEOPLES UNITED BANK, 0.25, 07/01/14 ⁽²⁾⁽⁸⁾	0.25	50,000,000	50,000,000	N/A	A-2
100,000,000	PEOPLES UNITED BANK, 0.25, 07/01/14 ⁽²⁾⁽⁸⁾	0.25	100,000,000	100,000,000	N/A	A-2
200,000,000	SANTANDER BANK, N.A., 0.25, 07/01/14 ⁽²⁾⁽⁸⁾	0.25	200,000,000	200,000,000	N/A	A-2
100,000,000	SVENSKA HANDELSBANKEN, 0.03, 07/01/14	0.03	100,000,000	100,000,000	N/A	A-1+
15,000,000	TD BANK, N.A., 0.31, 07/01/14 ⁽²⁾	0.31	15,000,000	15,000,000	N/A	A-1+
100,000,000	TD BANK, N.A., 0.25, 07/01/14 ⁽²⁾	0.25	100,000,000	100,000,000	N/A	A-1+
50,000,000	TD BANK, N.A., 0.35, 07/01/14 ⁽²⁾	0.35	50,000,000	50,000,000	N/A	A-1+
100,000,000	TD BANK, N.A., 0.33, 07/01/14 ⁽²⁾	0.33	100,000,000	100,000,000	N/A	A-1+
30,000,000	TD BANK, N.A., 0.33, 07/01/14 ⁽²⁾	0.33	30,000,000	30,000,000	N/A	A-1+
65,000,000	TD BANK, N.A., 0.40, 07/01/14 ⁽²⁾	0.40	65,000,000	65,000,000	N/A	A-1+
30,000,000	TD BANK, N.A., 0.40, 07/01/14 ⁽²⁾	0.40	30,000,000	30,000,000	N/A	A-1+
100,000,000	WEBSTER BANK, 0.25, 07/01/14 ⁽²⁾⁽⁸⁾	0.25	100,000,000	100,000,000	N/A	A-2
\$1,630,000,000			\$ 1,630,000,000	\$ 1,630,000,000		

SHORT-TERM INVESTMENT FUND

LIST OF INVESTMENTS AT JUNE 30, 2014 (Continued)

Par Value	Security (Coupon, Maturity or Reset Date)	Yield %	Amortized Cost ⁽¹⁾	Fair Value ⁽¹⁾	Asset ID	Quality Rating
BANK COMMERCIAL PAPER (7.72% OF TOTAL INVESTMENTS)						
\$ 125,000,000	US BANK, N.A., 0.13, 07/01/14 ⁽²⁾	0.13	\$ 125,000,000	\$ 125,000,000	N/A	A-1+
200,000,000	US BANK, N.A., 0.13, 07/01/14 ⁽²⁾	0.13	200,000,000	200,000,000	N/A	A-1+
\$ 325,000,000			\$ 325,000,000	\$ 325,000,000		
GOVERNMENT MONEY MARKET FUND (6.74% OF TOTAL INVESTMENTS)						
\$ 150,000,000	MORGAN STANLEY GOVT FUND, 0.04, 07/01/14	0.04	\$ 150,000,000	\$ 150,000,000	N/A	AAAm
133,637,446	WESTERN ASSET MGMT FUND, 0.04, 07/01/14	0.04	133,637,446	133,637,446	N/A	AAAm
\$ 283,637,446			\$ 283,637,446	\$ 283,637,446		
\$4,205,741,446	TOTAL INVESTMENT IN SECURITIES		\$ 4,208,753,819	\$ 4,209,135,179		

Fund Net Asset Value = \$1.012 per unit ⁽⁴⁾

Effective 7-Day Net Yield = 0.16% ⁽⁵⁾

Effective 7-Day Gross Yield = 0.20%

WAM^(R) = 40 Days ⁽⁶⁾

WAM^(F) = 99 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 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 annualized 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) Santander Bank, Webster Bank and Peoples Bank deposits are backed by irrevocable standby letters 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,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
STIF Total Rate of Return (%)	0.14	0.16	0.16	0.23	0.34	1.49	4.13	5.54	4.38	2.32
MFR Index (%)⁽¹⁾	0.02	0.05	0.05	0.08	0.09	1.30	4.07	5.14	4.01	1.91
Total Assets in STIF, End of Period (\$ - Millions)	4,211	4,477	4,894	4,494	4,582	4,548	5,054	5,004	5,430	4,314
Percent of State Assets in Fund	83	83	83	84	84	81	83	80	84	84
Number of Participant Accounts in Composite, End of Year⁽²⁾										
State Treasury	58	67	52	52	51	47	39	47	58	84
Municipal and Local Entities	475	685	674	660	656	608	637	578	542	548
State Agencies and Authorities	341	428	429	417	416	367	418	406	406	446
Total	874	1,180	1,155	1,129	1,123	1,022	1,094	1,031	1,066	1,078

- (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⁾
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
2010			2005		
Sep-09	0.11	0.04	Sep-04	0.38	0.29
Dec-09	0.09	0.02	Dec-04	0.53	0.41
Mar-10	0.06	0.01	Mar-05	0.64	0.54
Jun-10	0.06	0.02	Jun-05	0.77	0.67
YEAR	0.34	0.09	YEAR	2.32	1.91

(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.

SHORT-TERM PLUS INVESTMENT FUND

**STATEMENT OF NET POSITION
JUNE 30, 2014**

	<u>June 30, 2014</u>
ASSETS	
Investment in Securities, at Fair Value (Note 7)	\$ -
Accrued Interest and Other Receivables	-
Prepaid Assets	-
Total Assets	<u>\$ -</u>
LIABILITIES	
Distribution Payable	-
Total Liabilities	<u>\$ -</u>
NET POSITION HELD IN TRUST FOR PARTICIPANTS	<u>\$ -</u>

Note: The Fund was closed May 14, 2014.

See accompanying Notes to the Financial Statements.

SHORT-TERM PLUS INVESTMENT FUND

**STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND JUNE 30, 2013**

	<u>2014</u>	<u>2013</u>
ADDITIONS		
Operations		
Interest Income	\$ 15,893	\$ 31,114
Net Investment Income	15,893	31,114
Net Realized Gains (Losses)	38,976	(1,134,438)
Net Increase (Decrease) Resulting from Operations	<u>54,869</u>	<u>(1,103,324)</u>
Share Transactions at Fair Value		
Purchase of Units	15,767	32,891
TOTAL ADDITIONS	<u>70,636</u>	<u>(1,070,433)</u>
DEDUCTIONS		
Distribution to Participants (Notes 2 & 6)		
Distributions to Participants	(14,477)	(29,914)
Total Distributions Paid and Payable	<u>(14,477)</u>	<u>(29,914)</u>
Share Transactions at Fair Value		
Redemption of Units	(2,993,592)	(883,000)
Operations		
Operating Expenses	(1,416)	(1,857)
Net Change in Unrealized Gain/(Loss) on Investments	97,493	1,506,134
TOTAL DEDUCTIONS	<u>(2,911,683)</u>	<u>591,363</u>
CHANGE IN NET POSITION	<u>(2,841,355)</u>	<u>(479,070)</u>
Net Position held in Trust for Participants		
Beginning of Year	2,841,355	3,320,425
End of Year	<u>\$ -</u>	<u>\$ 2,841,355</u>

Note: The Fund was closed May 14, 2014.

See accompanying Notes to the Financial Statements.

SHORT-TERM PLUS INVESTMENT FUND

NOTES TO FINANCIAL STATEMENTS

NOTE 1: INTRODUCTION AND BASIS OF PRESENTATION

The Medium-Term Investment Fund ("STIF Plus" or the "Fund") is a money market and short-term bond investment pool managed by the Treasurer of the State of Connecticut. Section 3-28a of the Connecticut General Statutes (CGS) created STIF Plus. Pursuant to CGS 3-28a, the State, municipal entities, and political subdivisions of the State are eligible to invest in the Fund. The State Treasurer is authorized to invest monies of STIF Plus in United States government and agency obligations, certificates of deposit, commercial paper, corporate bonds, saving accounts, bankers' acceptances, repurchase agreements, asset-backed securities and investment fund comprised of authorized securities. STIF Plus is authorized to issue an unlimited number of units.

For State of Connecticut financial reporting purposes, STIF Plus 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 Plus 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.

Related Party Transactions.

STIF Plus 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 used the accrual basis of accounting.

Security Valuation of Financial Instruments.

The assets of the STIF Plus are carried at fair value which is the current market 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 of STIF Plus are accrued as incurred.

Fiscal Year.

The fiscal year of STIF Plus 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 STIF Plus net of administrative expenses. 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 the current market value per share, which is consistent with the per share net asset value of the Fund.

SHORT-TERM PLUS INVESTMENT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

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

As the fund was closed May 14, 2014, there are no disclosures to report.

NOTE 4: CUSTODIAN

Bank of New York Mellon was appointed as custodian for STIF Plus effective December 9, 2013 and served in such capacity until the closing of the fund.

NOTE 5: 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>2014</u>	<u>2013</u>
July	\$1,508	\$3,602
August	1,496	3,622
September	1,425	3,707
October	1,441	3,716
November	1,390	3,955
December	1,454	1,685
January	1,446	1,680
February	1,238	1,501
March	1,428	1,653
April	1,370	1,592
May	280	1,630
June (Payable at June 30)	0	1,571
Total Distribution Paid & Payable	<u>\$14,477</u>	<u>\$29,914</u>

NOTE 6: SUBSEQUENT EVENTS

STIF-Plus has performed an evaluation of subsequent events since the closing of the fund. There are no subsequent events.

SHORT-TERM PLUS INVESTMENT FUND
SCHEDULE OF QUARTERLY RATES OF RETURN

FISCAL YEAR	Rate of Return(%)
2014	
Sep-13	1.80%
Dec-13	2.43%
Mar-14	1.18%
Jun-14	N/A
YEAR	N/A

2013	
Sep-12	6.64%
Dec-12	3.88%
Mar-13	3.65%
Jun-13	-1.13%
YEAR	13.45%

2012	
Sep-11	-2.24%
Dec-11	0.33%
Mar-12	1.79%
Jun-12	1.22%
YEAR	1.03%

2011	
Sep-10	0.21%
Dec-10	0.76%
Mar-11	0.46%
Jun-11	0.20%
YEAR	1.61%

FISCAL YEAR	Rate of Return(%)
2010	
Sep-09	3.93%
Dec-09	0.49%
Mar-10	1.71%
Jun-10	0.04%
YEAR	6.23%

2009	
Sep-08	-0.21%
Dec-08	0.51%
Mar-09	-0.42%
Jun-09	3.22%
YEAR	3.07%

2008	
Sep-07	1.32%
Dec-07	1.02%
Mar-08	0.49%
Jun-08	1.16%
YEAR	4.03%

Source: Amounts were derived from custodial records.

CIVIL LIST PENSION AND TRUST FUNDS

**SCHEDULE OF CASH AND INVESTMENTS, BALANCES AND ACTIVITY (at Fair Value)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

	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	781,938	281,667	52,470	2,157	4,540	13	1,402	469	667
Interest in Investment Funds	16,220,107,287	10,469,351,955	2,161,258,170	90,240,074	187,773,636	1,472,956	72,347,913	19,046,210	27,185,277
Total Cash and Investments	\$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
Schedule of Activity:									
Cash and Investments at July 1, 2013	\$14,453,798,483	\$9,179,768,817	\$1,828,145,443	\$81,894,361	\$168,329,368	\$1,271,674	\$68,041,363	\$17,846,940	\$23,976,272
Shares Purchased (Excluding Liquidity Fund)	237,500,000	437,000,000	147,225,169	3,535,480	8,258,355	629,389	2,289,261	611,420	14,285,146
Shares Redeemed (Excluding Liquidity Fund)	(88,100,489)	(317,003,469)	(88,011,563)	(5,508,565)	(9,992,397)	(404,480)	(3,445,056)	(973,370)	(14,035,215)
Net Purchase and Redemptions of Liquidity Fund	266,155,727	(194,029,403)	28,483,277	(2,40,427)	(370,176)	(192,202)	(530,899)	(2,621)	(291,873)
Net Investment Income	133,110,829	83,267,130	17,496,882	807,154	1,605,283	8,603	515,622	135,496	167,556
Realized Gain (Loss) from Sale of Investments	539,885,337	164,958,479	31,430,122	2,368,295	3,693,024	20,926	1,343,219	160,720	2,810,084
Change in Unrealized Gain/(Loss) on Investment Funds	1,604,027,276	1,198,853,602	213,998,470	8,191,987	17,857,683	147,733	4,650,865	1,403,349	441,321
Increase (Decrease) in Receivables - Net ⁽¹⁾	527,299	85,596	39,722	1,100	2,319	(71)	562	241	209
Distributions	(133,110,829)	(83,267,130)	(17,496,882)	(807,154)	(1,605,283)	(8,603)	(515,622)	(135,496)	(167,556)
Cash and Investments at June 30, 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

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, 2014

	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
STATEMENT OF NET POSITION, at Fair Value							
ASSETS							
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$37,226
Interest & Dividends Receivable	267	-	61	28	84	2,036	-
Investments in Combined Investment Funds, at Fair Value	11,058,446	657,135	2,457,693	1,155,982	3,396,496	160,423,936	-
Total Assets	\$11,058,713	\$657,135	\$2,457,754	\$1,156,010	\$3,396,580	\$160,423,972	\$37,226
LIABILITIES & NET POSITION							
Due to Other Funds	\$ 86,779	\$ 16,939	\$ 57,223	\$ 26,983	\$ -	\$ -	\$ -
Fund Balance	10,971,934	640,196	2,400,531	1,129,027	3,396,580	160,423,972	37,226
Total Liabilities & Fund Balance	\$11,058,713	\$657,135	\$2,457,754	\$1,156,010	\$3,396,580	\$160,423,972	\$37,226

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

STATEMENT OF REVENUE AND EXPENDITURES

REVENUE						
Net Investment Income	\$ 77,802	\$ 5,311	\$ 17,413	\$ 8,259	\$ 23,675	\$ 378,077
Realized Gain on Investments	286,568	334	59,570	29,772	67,894	(389,127)
Change in Unrealized Gain (Loss) on Investments	632,912	22,990	139,796	63,990	207,646	14,219,325
Increase (Decrease) in Liquidity Fund Income Receivables - (1)	(23,083)	(1,792)	(5,144)	(2,441)	(6,990)	(98,492)
Total Revenue	\$974,199	\$26,843	\$211,635	\$99,580	\$292,225	\$14,109,783
EXPENDITURES						
Excess of Revenue over Expenditures	\$974,199	\$26,843	\$211,635	\$99,580	\$292,225	\$14,109,783

(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, 2013	\$10,259,713	\$630,294	\$2,246,129	\$1,056,430	\$3,104,355	\$100,832,524	\$37,175
Excess of Revenue over Expenditures	974,199	26,843	211,635	99,580	292,225	14,109,783	-
Net Cash Transactions	-	-	-	-	-	-	51
Transfer from Other Funds	29,263	-	-	-	-	45,521,603	-
Transfer to Other Funds	(308,570)	(20,185)	(62,090)	(29,263)	-	(39,938)	-
Increase in Due to Other Funds	17,329	3,244	4,857	2,280	-	-	-
Net Position at June 30, 2014	\$10,971,934	\$640,196	\$2,400,531	\$1,129,027	\$3,396,580	\$160,423,972	\$37,226

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, 2014

	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	\$974,199	\$26,843	\$211,635	\$99,580	\$292,225	\$14,109,783
Realized Gain on Investments	(286,568)	(334)	(59,570)	(29,772)	(67,894)	389,127
Change in Unrealized (Gain) Loss on Investments	(632,912)	(22,990)	(139,796)	(63,990)	(207,646)	(14,219,325)
(Increase) Decrease in Liquidity Fund Income Receivables	23,083	1,792	5,144	2,441	6,990	98,492
Net Cash Provided by Operations	<u>\$77,802</u>	<u>\$5,311</u>	<u>\$17,413</u>	<u>\$8,259</u>	<u>\$23,675</u>	<u>\$378,077</u>
Cash Flows from Non Capital Financing Activities:						
Operating Transfers - Out to Other Funds	(308,570)	(20,185)	(62,090)	(29,263)	-	(39,938)
Operating Transfers - In from Other Funds	29,263	-	-	-	-	45,521,603
Net Cash Used for Non-Capital Financing Activities	<u>(279,307)</u>	<u>(20,185)</u>	<u>(62,090)</u>	<u>(29,263)</u>	<u>-</u>	<u>45,481,665</u>
Cash Flows from Investing Activities:						
Net Purchase and Redemptions of Liquidity Fund	26,185	1,769	4,344	(8,420)	(32,827)	50,254,332
Purchase of Investments	(430,571)	(6,895)	(63,730)	(29,057)	(121,613)	(96,114,074)
Proceeds from Sale of Investment	605,891	20,000	104,063	58,481	130,765	-
Net Cash Provided by (Used for) Investing Activities	<u>201,505</u>	<u>14,874</u>	<u>44,677</u>	<u>21,004</u>	<u>(23,675)</u>	<u>(45,859,742)</u>
Net Increase (Decrease) In Cash	-	-	-	-	-	-
Cash June 30, 2013	-	-	-	-	-	-
Cash June 30, 2014	<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, 2014

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$37,226
Interest & Dividends Receivable	267	-	61	28	84	2,036	-
Investments in Combined Investment Funds	8,522,110	617,552	1,890,789	905,436	2,718,912	146,677,646	-
Total Assets	<u>\$8,522,377</u>	<u>\$617,552</u>	<u>\$1,890,850</u>	<u>\$905,464</u>	<u>\$2,718,996</u>	<u>\$146,679,682</u>	<u>\$37,226</u>
LIABILITIES & NET POSITION							
Due to Other Funds	\$86,779	\$16,939	\$57,223	\$26,983	\$ -	\$ -	\$ -
Fund Balance	8,435,598	600,613	1,833,627	878,481	2,718,996	146,679,682	37,226
Total Liabilities & Net Position	<u>\$8,522,377</u>	<u>\$617,552</u>	<u>\$1,890,850</u>	<u>\$905,464</u>	<u>\$2,718,996</u>	<u>\$146,679,682</u>	<u>\$37,226</u>

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.

Distribution of Net Investment Income: Net investment income earned by the Combined Investment Funds is generally distributed in the following month. Net investment income is comprised of dividends and interest less investment expense. Distributions to unit holders of the funds were discontinued after September 30, 2014.

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, 2014 and 2013

ASSETS	<u>June 30, 2014</u>	<u>June 30, 2013</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$31,016,424	\$29,758,836
Receivables, net of allowance for uncollectible accounts - \$9,764,309 and \$9,436,802 respectively	7,962,964	7,157,737
Other Assets	3,517	4,169
TOTAL CURRENT ASSETS	<u>38,982,905</u>	<u>36,920,742</u>
 LIABILITIES		
Claims benefits payable	6,242,230	6,819,203
Settlement payable	1,371,376	1,559,367
Accounts payable and other accrued liabilities	1,676,863	1,037,057
Compensated absences	531,769	508,039
 Long-Term Liabilities:		
Accounts payable and accrued expenses	1,051,300	1,085,000
Compensated absences	247,301	204,936
TOTAL LIABILITIES	<u>11,120,839</u>	<u>11,213,602</u>
 NET POSITION		
Unrestricted	27,862,066	25,707,140
TOTAL NET POSITION	<u>\$27,862,066</u>	<u>\$25,707,140</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, 2014 AND JUNE 30, 2013**

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Assessment Revenues	\$40,110,844	\$37,482,127
Fund Recoveries	863,103	537,173
Other Income	<u>219,929</u>	<u>287,483</u>
TOTAL OPERATING REVENUES	<u>41,193,876</u>	<u>38,306,783</u>
OPERATING EXPENSES		
Injured Worker Benefits:		
Settlements	5,643,628	4,616,442
Indemnity Claims Benefits	18,807,854	19,964,342
Medical Claims Benefits	<u>6,959,475</u>	<u>6,326,974</u>
Total Injured Worker Benefits	<u>31,410,957</u>	<u>30,907,758</u>
Administrative Expenses	<u>7,669,113</u>	<u>6,944,822</u>
TOTAL OPERATING EXPENSES	<u>39,080,070</u>	<u>37,852,580</u>
OPERATING INCOME	<u>2,113,806</u>	<u>454,203</u>
NON-OPERATING INCOME		
Interest Income	<u>41,120</u>	<u>47,473</u>
Change in Net Position	<u>2,154,926</u>	<u>501,676</u>
NET POSITION - Beginning of Year	<u>25,707,140</u>	<u>25,205,464</u>
NET POSITION - End of Year	<u>\$27,862,066</u>	<u>\$25,707,140</u>

See accompanying Notes to the Financial Statements.

SECOND INJURY FUND

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2014 AND JUNE 30, 2013**

CASH FLOWS FROM OPERATING ACTIVITIES	<u>2014</u>	<u>2013</u>
SOURCE:		
Assessment revenues	\$39,858,787	\$36,601,740
Fund recoveries	863,103	537,173
Other income	219,929	287,483
Other assets	1,290	(1,127)
	<u>40,943,109</u>	<u>37,425,269</u>
USE:		
Injured worker benefits	(32,209,621)	(30,935,462)
Administrative expenses	(7,516,382)	(6,868,512)
	<u>(39,726,003)</u>	<u>(37,803,974)</u>
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 <u>1,217,106</u>	 <u>(378,705)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
SOURCE:		
Interest Income	40,482	47,131
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>40,482</u>	<u>47,131</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 1,257,588	 (331,574)
Cash and cash equivalents, Beginning of Year	29,758,836	30,090,410
CASH AND CASH EQUIVALENTS, End of Year	<u>\$31,016,424</u>	<u>\$29,758,836</u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	<u>\$ 2,113,806</u>	<u>\$ 454,203</u>
Adjustments to reconcile operating income to net cash:		
Decrease (increase) in assets:		
Decrease (increase) in receivables, net	(805,227)	(875,698)
Decrease (increase) in other assets	1,290	(1,127)
Increase (decrease) in liabilities:		
Increase (decrease) in accounts payable & accrued expenses	(158,858)	(41,487)
Increase (decrease) in compensated absences	66,095	85,404
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,217,106</u>	<u>\$ (378,705)</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 99.7% 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 2014 and 2013, 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, 2014 and June 30, 2013 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, 2014 and June 30, 2013 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, 2014 and June 30, 2013 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, 2014 and June 30, 2013 was 3.25%.

NOTE 4: RECEIVABLES

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

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

As of June 30, 2013:

	Beginning Balance	Additions	Cash Receipts	Write-Offs	Ending Balance	Amount Due Within One Year	Allowance for Uncollectible
Assessments	\$7,212,579	\$53,939,505	\$53,055,724	\$ -	\$8,096,360	\$7,157,737	\$938,623
Non-Compliance 355	8,481,595	3,874,277	357,716	3,767,152	8,231,004	-	8,231,004
Other Receivables	339,630	198,190	198,144	72,500	267,176	-	267,176
Total Receivables	\$16,033,804	\$58,011,972	\$53,611,584	\$3,839,652	\$16,594,540	\$7,157,737	\$9,436,803

NOTE 5: LIABILITES AND COMPENSATED ABSENCES

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

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

As of June 30, 2013:

	Beginning Balance	Additions	Cash Disbursements	Ending Balance	Amount Due Within One Year
Claims Benefits Payable	\$7,708,000	\$26,253,317	\$26,057,114	\$7,904,203	\$6,819,203
Settlements Payable	1,783,274	4,616,442	4,840,349	1,559,367	1,559,367
Accounts Payable & Accrued Expenses	1,050,840	7,362,980	7,376,763	1,037,057	1,037,057
Compensated Absences	627,571	85,405	-	712,976	508,039
Total Liabilities & Compensated Absences	\$11,169,685	\$38,318,144	\$38,274,226	\$11,213,603	\$9,923,666

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, 2014 they were \$1.4 million and at June 30, 2013 were \$1.6 million.

NOTE 7: SUBSEQUENT EVENTS

The Fund management has evaluated the events and transactions that have occurred through December 31, 2014, 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 the Trustee of the Connecticut Higher Education Trust Program-Direct Plan:

We have audited the accompanying financial statements of the Connecticut Higher Education Trust Program-Direct Plan (the "Direct Plan"), which comprise the Statement of Fiduciary Net Position as of June 30, 2014 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 Direct Plan's basic 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 Statement of Fiduciary Net Position of the Connecticut Higher Education Trust Program-Direct Plan, at June 30, 2014, and the Statement of Changes in Fiduciary Net 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

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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.

Other Matter

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Direct Plan's basic financial statements. The accompanying supplemental information of the Statements of Fiduciary Net Position on pages 14 through 19, Statements of Changes in Fiduciary Net Position on pages 20 through 25 and Financial Highlights on pages 26 through 29 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 26, 2014 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 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 Direct Plan's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

September 5, 2014

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 Program – 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, 2014. 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 11 investment options (the “Options”) in which account owners (“Account Owners”) may invest.

FINANCIAL HIGHLIGHTS

During the year ended June 30, 2014, the Options within the Direct Plan posted returns as follows:

Moderate Managed Allocation Option

Ages 0-3	19.05%
Ages 4-7	16.27
Ages 8-11	13.68
Ages 12-14	11.73
Ages 15-17	9.54
Ages 18 & Over	7.06

Aggressive Managed Allocation Option

Ages 0-3	22.51%
Ages 4-7	19.98
Ages 8-11	17.26
Ages 12-14	15.28
Ages 15-17	13.49
Ages 18 & Over	9.40

Conservative Managed Allocation Option

Ages 0-3	15.40%
Ages 4-7	12.75
Ages 8-11	10.25
Ages 12-14	7.78
Ages 15-17	5.38
Ages 18 & Over	2.78

Multi-Fund Investment Options

Equity Index Option	23.08%
Active Equity Option	22.04
High Equity Option	19.72
Active Fixed-Income Option	6.36
Social Choice Option	23.85
Index Fixed-Income Option	4.01
Money Market Option	0.00
Principal Plus Interest Option	1.35

The Direct Plan received \$100.6 million in net contributions from Account Owners during the year ended June 30, 2014.

The Direct Plan earned \$42.0 million from investment income and paid out \$3.0 million for operating expenses during the year ended June 30, 2014.

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 Government 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, 2014. 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 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.

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

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

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

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, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Investments	\$2,292,644,898	\$1,941,399,733
Cash	141,942	32,380
Receivables	<u>3,447,945</u>	<u>2,046,752</u>
Total Assets	<u>2,296,234,785</u>	<u>1,943,478,865</u>
Payables	<u>4,121,969</u>	<u>2,208,108</u>
Total Liabilities	<u>4,121,969</u>	<u>2,208,108</u>
Total Net Position	<u>\$2,292,112,816</u>	<u>\$1,941,270,757</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 other third-party mutual funds, or the funding agreement ("Funding Agreement") issued by TIAACREF 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, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Additions:		
Subscriptions	\$766,188,733	\$677,242,411
Investment Income	42,035,649	37,666,830
Net increase in fair value of investments	<u>211,218,421</u>	<u>101,776,110</u>
Total Additions	<u>1,019,442,803</u>	<u>816,685,351</u>
Deductions:		
Redemptions	(665,586,621)	(567,034,150)
Plan manager fee, net	(2,829,316)	(2,880,777)
Administrative fee, net	<u>(184,807)</u>	<u>(159,636)</u>
Total Deductions	<u>(668,600,744)</u>	<u>(570,074,563)</u>
Changes in Net Position	350,842,059	246,610,788
Net position - beginning of year	<u>1,941,270,757</u>	<u>1,694,659,969</u>
Net position - end of year	<u>\$2,292,112,816</u>	<u>\$1,941,270,757</u>

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

STATEMENT OF FIDUCIARY NET POSITION

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS		
Cash	\$141,942	\$32,380
Investments, at value (Cost: \$1,899,631,388 and \$1,745,343,544)	2,292,644,898	1,941,399,733
Dividends and interest receivable	950,119	770,635
Receivable from securities transactions	768,647	227,367
Receivable for Direct Plan units sold	1,729,179	1,048,750
TOTAL ASSETS	<u>2,296,234,785</u>	<u>1,943,478,865</u>
LIABILITIES		
Accrued Plan management fee	501,093	253,465
Accrued administrative fee	33,407	14,068
Payable for securities transactions	2,082,801	1,155,166
Payable for Direct Plan units redeemed	1,504,668	785,409
TOTAL LIABILITIES	<u>4,121,969</u>	<u>2,208,108</u>
NET POSITION		
Held in trust for Account Owners in the Direct Plan	<u>\$2,292,112,816</u>	<u>\$1,941,270,757</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>2014</u>	<u>2013</u>
ADDITIONS		
Subscriptions	\$766,188,733	\$677,242,411
Investment Income:		
Interest	3,015,316	3,578,198
Dividends	<u>39,020,333</u>	<u>34,088,632</u>
Total investment income	42,035,649	37,666,830
Net increase (decrease) in fair value of investments	<u>211,218,421</u>	<u>101,776,110</u>
Total additions	1,019,442,803	816,685,351
DEDUCTIONS		
Redemptions	(665,586,621)	(567,166,400)
Plan management fee	(2,829,316)	(2,880,777)
Administrative fee, net	<u>(184,807)</u>	<u>(159,636)</u>
Total deductions	(668,600,744)	(570,074,563)
Changes in Net Position	<u>350,842,059</u>	<u>246,610,788</u>
Net position – beginning of year	<u>1,941,270,757</u>	<u>1,694,659,969</u>
Net position – end of year	<u><u>\$2,292,112,816</u></u>	<u><u>\$1,941,270,757</u></u>

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Connecticut Higher Education Trust Program - 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, indirect 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"); and 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"), a subsidiary of TIAA, 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 as 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").

The accompanying financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Government 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 may differ from the Unit Value for processing transactions. 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 to 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 June 2011, GASB issued GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position ("GASB 63"). GASB 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, which are financial statement elements distinct from assets and liabilities. GASB 63 also amends the net asset reporting requirements in GASB 34 and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of net assets, and by changing the term "net assets"

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

to “net position.” The Direct Plan has no balances or transactions that meet the definition of deferred outflow of resources or deferred inflows of resources as set forth in GASB 63. The Direct Plan has adopted this new guidance beginning with the June 30, 2013 financial statements. Adoption of GASB 63 did not have any impact on the Direct Plan’s financial statements, other than to change all references to “net assets” in the financial statements and note disclosures to “net position”.

NOTE 2—VALUATION OF INVESTMENTS

A description of the valuation techniques applied to the Direct Plan’s investments follows:

Investments in registered investment companies: These investments are valued at their net asset value on the valuation date.

Funding Agreement: The 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.

NOTE 3—DIRECT PLAN FEES

For its services as Direct Plan manager, 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 held by that Option. On May 15, 2013, the net assets of the Direct Plan reached \$2.0 billion. Effective August 12, 2013, TFI agreed to waive the requirement that total assets in the Direct Plan be equal to or greater than \$2.0 billion for a period of at least 90 consecutive days, thereby reducing the Direct Plan manager fee to 0.15%. In addition, Advisors is paid investment management fees on the underlying investments in the Funds. The Direct Plan manager fee indicated applies on total assets in the Direct Plan up to \$2.5 billion. The Direct Plan manager fee will revert to 0.18%, however, if total assets in the Direct Plan decrease to below \$2.0 billion for a period of at least 90 consecutive days. The terms of the Management Agreement provide that if total assets in the Direct Plan reach \$2.5 billion or above for a period of at least 90 consecutive days, TFI and the Trustee will, in good faith, meet and negotiate a further reduction in the Direct Plan manager fee.

The Principal Plus Interest Option does not pay a Direct Plan manager fee; however, TIAA-CREF Life pays to TFI an annual assetbased fee for other services that TFI provides for the Principal Plus Interest Option.

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 administrative fee is deposited in an administrative account held by the Trust used to pay certain Direct Plan administrative expenses. The assets held in the administrative account were \$710,638 and \$679,812 at June 30, 2014 and 2013, respectively.

Effective August 1, 2011, TFI and the Trustee have agreed to voluntarily waive the Money Market Options’s Direct Plan manager fee and administrative fee, respectively, in an attempt to maintain a 0.00% return for the Option. TFI and the Trustee may discontinue the waiver at any time without notice. For the year ended June 30, 2014, TFI waived \$31,981 of the Plan manager fee and the Trustee waived \$2,112 of the administrative fee.

NOTE 4—INVESTMENTS

Cash deposits: All cash deposits at June 30, 2014 were covered by federal depository insurance coverage.

Investments: As of June 30, 2014, net unrealized appreciation (depreciation) of portfolio investments was \$393,013,510 consisting of gross unrealized appreciation of \$393,427,633 and gross unrealized depreciation of \$(414,123).

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

TIAA-CREF Funds (Institutional Class):	<u>UNITS</u>	<u>COST</u>	<u>VALUE</u>
Bond Fund	2,193,740	\$22,016,638	\$23,187,833
Bond Index Fund	39,519,081	416,032,788	427,991,646

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Emerging Markets Equity Index Fund	1,871,688	19,054,698	20,457,546
Equity Index Fund	26,353,531	217,369,332	397,938,322
Growth & Income Fund	448,576	4,843,306	5,705,887
High-Yield Fund	442,766	4,330,992	4,640,186
Inflation-Linked Bond Fund	11,335,057	120,001,056	132,393,470
International Equity Index Fund	21,844,424	344,891,347	440,165,144
Large-Cap Value Fund	144,016	2,208,442	2,681,580
Mid-Cap Growth Fund	506,430	8,154,078	12,134,074
Mid-Cap Value Fund	533,413	8,751,134	13,308,645
Money Market Fund	71,633,492	71,633,493	71,633,493
Real Estate Securities Fund	4,850,134	47,273,683	68,095,878
S&P 500 Index Fund	4,748,231	61,122,735	105,078,353
Short-Term Bond Fund	10,565,791	109,801,646	110,306,864
Social Choice Equity Fund	1,383,299	17,299,812	22,948,931
Non-Proprietary Funds:			
DFA Emerging Markets Core Equity Portfolio (Institutional Class)	3,408,902	68,324,990	70,905,156
GE Institutional Small-Cap Equity Fund (Institutional Investment Class)	737,734	10,990,330	15,315,366
GMO International Equity Allocation Fund (R6 Class)	367,199	3,930,051	4,578,967
T. Rowe Price Institutional Large-Cap Growth Fund (Institutional Class)	97,245	2,046,785	2,739,379
Templeton Global Bond Fund (Advisor Class)	7,517,647	99,615,019	100,059,878
Thornburg International Value Fund (Institutional Class)	205,200	5,926,031	6,365,298
TIAA-CREF Life Insurance Company: Funding Agreement	15,548,924	234,013,002	234,013,002
		<u>\$ 1,899,631,388</u>	<u>\$ 2,292,644,898</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.

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 AA+ credit rating at June 30, 2014.

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, 2014, 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 Fund	\$23,187,833	6.51 years
Bond Index Fund	427,991,646	7.22 years
High-Yield Fund	4,640,186	7.00 years
Inflation-Linked Bond Fund	132,393,470	8.57 years
Short-Term Bond Fund	110,306,864	2.43 years
Non-Proprietary Funds:		
Templeton Global Bond Fund (Advisor Class)	100,059,878	2.51 years

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

NOTES TO FINANCIAL STATEMENTS (Continued)

Foreign currency risk: Foreign currency 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, 2014, the value of investments in underlying mutual funds that significantly invest in foreign denominated contracts are as follows:

<u>Investment</u>	<u>Market Value</u>
TIAA-CREF Funds (Institutional Class):	
Emerging Markets Equity Index Fund	\$20,457,546
International Equity Index Fund	440,165,144
Non-Proprietary Funds:	
DFA Emerging Markets Core Equity Portfolio (Institutional Class)	70,905,156
GMO International Equity Allocation Series Fund (R6 Class)	4,578,967
Templeton Global Bond Fund (Advisor Class)	100,059,878
Thornburg International Value Fund (Institutional Class)	6,365,298

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

**FINANCIAL HIGHLIGHTS
For the Year Ended June 30, 2014**

**Moderate Managed Allocation Option
Age Bands Within the Moderate Managed Allocation Option**

FORA UNIT OUTSTANDING THROUGHOUT THE YEAR	Ages					
	0-3	4-7	8-11	12-14	15-17	18 & Over
Net position value, beginning of year	\$17.22	\$15.37	\$16.23	\$16.63	\$15.93	\$15.43
Gain (loss) from investment operations:						
Net investment ^(a)	0.38	0.35	0.37	0.37	0.31	0.25
Net realized and unrealized gain on investments	2.90	2.15	1.85	1.58	1.21	0.84
Total gain from investment operations	3.28	2.50	2.22	1.95	1.52	1.09
Net position value, end of year	<u>\$20.50</u>	<u>\$17.87</u>	<u>\$18.45</u>	<u>\$18.58</u>	<u>\$17.45</u>	<u>\$ 16.52</u>
TOTAL RETURN	<u>19.05%</u>	<u>16.27%</u>	<u>13.68%</u>	<u>11.73%</u>	<u>9.54%</u>	<u>7.06%</u>
RATIOS AND SUPPLEMENTAL DATA						
Net position at end of period (in thousands)	\$32,878	\$112,070	\$221,096	\$251,060	\$275,371	\$220,435
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	2.02%	2.08%	2.12%	2.12%	1.86%	1.53%

(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.

**Conservative Managed Allocation Option
Age Bands Within the Conservative Managed Allocation Option**

FORA UNIT OUTSTANDING THROUGHOUT THE YEAR	Ages					
	0-3	4-7	8-11	12-14	15-17	18 & Over
Net position value, beginning of year	\$11.82	\$11.61	\$11.41	\$11.05	\$10.78	\$10.45
Gain (loss) from investment operations:						
Net investment ^(a)	0.27	0.25	0.26	0.22	0.19	0.15
Net realized and unrealized gain on investments	1.55	1.23	0.91	0.64	0.39	0.14
Total gain from investment operations	1.82	1.48	1.17	0.86	0.58	0.29
Net position value, end of year	<u>\$13.64</u>	<u>\$13.09</u>	<u>\$12.58</u>	<u>\$11.91</u>	<u>\$11.36</u>	<u>\$ 10.74</u>
TOTAL RETURN	<u>15.40%</u>	<u>12.75%</u>	<u>10.25%</u>	<u>7.78%</u>	<u>5.38%</u>	<u>2.78%</u>
RATIOS AND SUPPLEMENTAL DATA						
Net position at end of period (in thousands)	\$5,399	\$4,593	\$4,655	\$5,375	\$9,100	\$7,237
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	2.08%	2.05%	2.19%	1.89%	1.67%	1.39%

(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**

FORA UNIT OUTSTANDING THROUGHOUT THE YEAR	Ages					
	0-3	4-7	8-11	12-14	15-17	18 & Over
Net position value, beginning of year	\$11.33	\$11.41	\$11.88	\$12.17	\$12.23	\$11.91
Gain (loss) from investment operations:						
Net investment (a)	0.26	0.25	0.26	0.27	0.27	0.22
Net realized and unrealized gain on investments	2.29	2.03	1.79	1.59	1.38	0.90
Total gain from investment operations	2.55	2.28	2.05	1.86	1.65	1.12
Net position value, end of year	<u>\$13.88</u>	<u>\$13.69</u>	<u>\$13.93</u>	<u>\$14.03</u>	<u>\$13.88</u>	<u>\$13.03</u>
TOTAL RETURN	<u>22.51%</u>	<u>19.98%</u>	<u>17.26%</u>	<u>15.28%</u>	<u>13.49%</u>	<u>9.40%</u>
RATIOS AND SUPPLEMENTAL DATA						
Net position at end of period (in thousands)	\$27,846	\$74,610	\$64,957	\$47,190	\$37,808	\$20,383
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	2.00%	2.00%	2.02%	2.03%	2.05%	1.78%

(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.

CONNECTICUT HIGHER EDUCATION TRUST - DIRECT PLAN

**FINANCIAL HIGHLIGHTS (Continued)
For the Year Ended June 30, 2014**

Multi-Fund Investment Options

	Equity Index Option	Active Equity Option	High Equity Option	Active Fixed- Income Option	Social Choice Option	Index Fixed- Income Option	Money Market Option	Principal Plus Interest Option
FOR A UNIT OUTSTANDING THROUGHOUT THE YEAR								
Net position value, beginning of year	\$12.78	\$11.89	\$15.82	\$14.46	\$13.25	\$10.72	\$10.13	\$14.85
Gain (loss) from investment operations:								
Net investment income ^(a)	0.29	0.16	0.33	0.41	0.17	0.21	—	0.20
Net realized and unrealized gain on investments	2.66	2.46	2.79	0.51	2.99	0.22	—	—
Total gain from investment operations	<u>2.95</u>	<u>2.62</u>	<u>3.12</u>	<u>0.92</u>	<u>3.16</u>	<u>0.43</u>	<u>—</u>	<u>0.20</u>
Net position value, end of year	<u>\$15.73</u>	<u>\$14.51</u>	<u>\$18.94</u>	<u>\$15.38</u>	<u>\$16.41</u>	<u>\$11.15</u>	<u>\$10.13</u>	<u>\$15.05</u>
TOTAL RETURN	<u>23.08%</u>	<u>22.04%</u>	<u>19.72%</u>	<u>6.36%</u>	<u>23.85%</u>	<u>4.01%</u>	<u>0.00%</u>	<u>1.35%</u>
RATIOS AND SUPPLEMENTAL DATA								
Net position at end of period (in thousands)	\$188,588	\$23,858	\$325,320	\$42,810	\$22,943	\$9,088	\$23,429	\$234,013
Ratio of expenses to average net position before expense waiver ^(b)	0.16%	0.16%	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%	0.16%	0.16%	0.16%	0.16%	0.00% ^(d)	—%
Ratio of net investment income to average net position	1.99%	1.14%	1.88%	2.78%	1.16%	1.92%	(0.00%)	1.35%

(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

(d) Amount represents less than \$0.01 per share

See notes to financial statements.



To the Trustee of the
Connecticut Higher Education Trust – Advisor Plan
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, 2014 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, 2014, 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

INDEPENDENT AUDITORS' REPORT

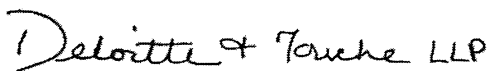
statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the 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 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 14 through 23 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 August 28, 2014, 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.



August 28, 2014
Jericho, New York

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, 2014. 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, 2014:

- The Plan had contributions of \$83.2 million and withdrawals of \$12.2 million during the year;
- At June 30, 2014, the Plan's Fiduciary Net Position totaled \$275.2 million, an increase of \$102.6 million, or 59% since June 30, 2013;
- The Plan earned \$2.8 million from investment income, \$5.2 million from capital gain distributions, \$14.9 million from net appreciation in fair value of investments, and recognized gains on the sale of investments of \$10.2 during the year. The Plan incurred \$1.5 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, 2014 and June 30, 2013.

	<u>2014</u>	<u>2013</u>
Assets:		
Investments	\$275,140,842	\$172,315,109
Receivables and other assets	<u>361,078</u>	<u>545,656</u>
Total assets	<u>275,501,920</u>	<u>172,860,765</u>
Liabilities:		
Payables and other liabilities	292,392	268,045
Accrued expenses	<u>16,079</u>	<u>10,049</u>
Total liabilities	<u>308,471</u>	<u>278,094</u>
Fiduciary Net Position	<u>\$275,193,449</u>	<u>\$172,582,671</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, 2014 and June 30, 2013.

	<u>2014</u>	<u>2013</u>
Additions:		
Contributions	\$83,224,690	\$67,587,484
Increase from investment operations	<u>33,073,538</u>	<u>15,657,056</u>
Total additions	<u>116,298,228</u>	<u>83,244,540</u>
Deductions:		
Withdrawals	12,204,271	6,576,546
Expenses after fees waived	<u>1,483,179</u>	<u>891,741</u>
Total deductions	<u>13,687,450</u>	<u>7,468,287</u>
Change in net position	<u>102,610,778</u>	<u>75,776,253</u>
Fiduciary net Position, beginning of period	172,582,671	96,806,418
Fiduciary net Position, end of period	<u>\$275,193,449</u>	<u>\$172,582,671</u>

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

STATEMENT OF FIDUCIARY NET POSITION

	<u>June 30, 2014</u>	<u>June 30, 2013</u>
ASSETS		
Investments, at value (Cost: \$249,550,541 and \$161,632,767)	\$275,140,842	\$172,315,109
Cash	-	31,589
Receivables:		
Investments sold	18,369	94,741
Capital shares sold	291,643	191,230
Dividends and interest receivable	51,066	228,096
TOTAL ASSETS	<u>275,501,920</u>	<u>172,860,765</u>
LIABILITIES		
Bank Overdraft	-	21,117
Payables:		
Investments purchased	244,902	207,122
Capital shares redeemed	47,490	39,806
Accrued Expenses	16,079	10,049
TOTAL LIABILITIES	<u>308,471</u>	<u>278,094</u>
 FIDUCIARY NET POSITION	 <u><u>\$275,193,449</u></u>	 <u><u>\$172,582,671</u></u>

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>2014</u>	<u>2013</u>
ADDITIONS		
Contributions:		
Account holders	\$83,224,690	\$67,587,484
Total contributions	<u>83,224,690</u>	<u>67,587,484</u>
Increase from investment operations		
Dividends	2,782,261	2,301,330
Capital gain distributions received from underlying funds	5,183,644	2,505,310
Net realized gain on sale of underlying fund shares	10,199,674	1,351,403
Net appreciation on underlying fund shares	14,907,959	9,499,013
Net increase from investment operations	<u>33,073,538</u>	<u>15,657,056</u>
Total additions	<u>116,298,228</u>	<u>83,244,540</u>
DEDUCTIONS		
Withdrawals	12,204,271	6,576,546
Expenses:		
Plan manager fees	530,076	328,716
Administrative fees	44,170	26,535
Distribution fees	998,063	584,677
Total expenses (before waivers)	<u>1,572,309</u>	<u>939,928</u>
Total waivers	<u>(89,130)</u>	<u>(48,187)</u>
Total expenses after fees waived	1,483,179	891,741
Total deductions	<u>13,687,450</u>	<u>7,468,287</u>
FIDUCIARY NET POSITION		
Net increase in fiduciary net position	\$102,610,778	\$75,776,253
Beginning of year	<u>\$172,582,671</u>	<u>\$96,806,418</u>
End of year	<u>\$275,193,449</u>	<u>\$172,582,671</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 sponsored by The Hartford (the “underlying mutual funds”) as well as certain non- Hartford exchange-traded funds (“ETFs”). Collectively, the underlying mutual funds and ETFs are called 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.

The Investment Options generally use market prices in valuing the ETFs. If market prices are not readily available or are deemed unreliable, the Investment Option will use the fair value of the security as determined in good faith under policies and procedures established by Hartford Life.

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 and realized and unrealized capital 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

Cash – Cash appearing on the Statement of Fiduciary Net Position is attributable to certain Investment Options, as shown in the attached supplementary schedules. The cash is due to unsettled trades of ETFs. As of June 30, 2014 the Investment Options did not hold any ETFs and therefore, no cash appears on the Statement of Fiduciary Net Position.

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 Option and the contributions of the participant 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 Option and the redemptions of the participant that have not settled as of the reporting date, respectively.

NOTE 3: INVESTMENT RISKS

The CHET Advisor Plan's investments represent shares of the Underlying Funds, rather than individual securities and therefore, are not subject to classification by custodial credit risk or disclosure of concentration of credit risk under GASB Statement No. 40, Deposit and Investment Risk Disclosures. The Underlying Funds are not rated by any nationally recognized statistical rating organization.

An Investment Option is exposed to the risks of the Underlying Funds in direct proportion to the amount of assets the Investment Option allocates to each Underlying Fund

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 long-term bonds than short-term bonds.

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.

NOTE 4: FEDERAL AND STATE INCOME TAXES

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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 net position of the Investment Option and each class, except where otherwise noted.

Plan Manger 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 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. Until certain start-up costs for the CHET Advisor Plan are recouped, the Trust will pay the administrative fee to Hartford Life.

Given the current low interest rate environment, the Trust has waived the administrative fee for 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, 2014:

<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 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, 2014, 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

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, 2014:

Investments at end of year	\$ 275,140,842
Less cost of investments purchased during year	(89,917,227)
Plus cost of investments sold during year	1,999,453
Less investments at beginning of year	<u>(172,315,109)</u>
Appreciation of investments during year	<u>\$ 14,907,959</u>

Investments on the Combining Statements of Fiduciary Net Position consist of the following as of June 30, 2014:

	<u>Shares</u>	<u>Cost</u>	<u>Market Value</u>
CHET Advisor Plan:			
State Street Global Advisors Prime Money Market Fund	15,680,283	\$15,680,283	\$15,680,283
The Hartford Alternative Strategies Fund, Class Y	1,876,240	18,747,519	19,006,308
The Hartford Capital Appreciation Fund, Class Y	490,651	20,584,368	26,308,715
The Hartford Dividend and Growth Fund, Class Y	1,153,414	26,345,315	31,234,448
The Hartford Emerging Markets Research Fund, Class Y	739,188	6,220,074	6,992,721
The Hartford Equity Income Fund, Class Y	979,376	17,214,904	18,833,392
The Hartford Global Real Asset Fund, Class Y	1,461,045	14,818,860	16,144,551
The Hartford Growth Opportunities Fund, Class Y	74,189	2,759,614	3,339,995
The Hartford Inflation Plus Fund, Class Y	721,077	8,413,970	8,068,853
The Hartford International Opportunities Fund, Class Y	1,731,314	29,340,231	32,219,755
The Hartford International Small Company Fund, Class Y	531,593	8,422,079	10,165,956
The Hartford International Value Fund, Class Y	789,778	11,007,659	12,865,484
The Hartford MidCap Fund, Class Y	137,313	3,398,902	4,332,223
The Hartford MidCap Value Fund, Class Y	441,108	6,793,574	8,001,695
The Hartford Short Duration Fund, Class Y	320,398	3,183,982	3,187,956
The Hartford SmallCap Growth Fund, Class Y	76,385	8,295,938	9,240,806
The Hartford Strategic Income Fund, Class Y	1,591,266	14,478,602	15,180,673
The Hartford Total Return Bond Fund, Class Y	925,437	9,994,492	10,105,771
The Hartford Unconstrained Bond Fund, Class Y	372,719	3,727,596	3,801,733
The Hartford World Bond Fund, Class Y	1,893,376	20,122,579	20,429,524
		<u>\$249,550,541</u>	<u>\$275,140,842</u>

NOTE 8: SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 28, 2014, 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, 2014**

	-- 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⁾
CHET Advisor Age-Based Portfolio 0-8										
Class A	\$13.26	\$0.09	\$2.54	\$2.63	\$15.89	19.83%	\$ 38,160	0.51%	0.69%	70%
Class C	12.99	(0.01)	2.47	2.46	15.45	18.94	12,161	1.26	(0.06)	—
Class E	13.35	0.13	2.56	2.69	16.04	20.15	6,184	0.26	0.96	—
CHET Advisor Age-Based Portfolio 9-13										
Class A	12.76	0.09	2.02	2.11	14.87	16.54	40,105	0.51	0.74	66
Class C	12.50	—	1.96	1.96	14.46	15.68	12,240	1.26	(0.01)	—
Class E	12.85	0.11	2.05	2.16	15.01	16.81	5,352	0.26	0.98	—
CHET Advisor Age-Based Portfolio 14-15										
Class A	12.35	0.11	1.64	1.75	14.10	14.17	11,694	0.51	1.00	73
Class C	12.10	0.03	1.58	1.61	13.71	13.31	7,621	1.26	0.25	—
Class E	12.44	0.13	1.67	1.80	14.24	14.47	2,532	0.26	1.24	—
CHET Advisor Age-Based Portfolio 16-17										
Class A	11.51	0.13	0.90	1.03	12.54	8.95	10,011	0.51	1.25	72
Class C	11.27	0.04	0.87	0.91	12.18	8.07	7,536	1.26	0.52	—
Class E	11.59	0.17	0.90	1.07	12.66	9.23	1,654	0.26	1.50	—
CHET Advisor Age-Based Portfolio 18+										
Class A	10.73	0.09	0.47	0.56	11.29	5.32	6,001	0.51	1.01	108
Class C	10.52	0.02	0.44	0.46	10.98	4.37	4,519	1.26	0.26	—
Class E	10.80	0.11	0.48	0.59	11.39	5.46	1,233	0.26	1.24	—
CHET Advisor Aggressive Growth Portfolio										
Class A	13.85	0.08	3.21	3.29	17.14	23.75	4,740	0.51	0.54	51
Class C	13.57	(0.03)	3.13	3.10	16.67	22.84	3,022	1.26	(0.22)	—
Class E	13.94	0.11	3.24	3.35	17.29	24.03	2,343	0.26	0.80	—
CHET Advisor Conservative Portfolio										
Class A	11.53	0.14	0.89	1.03	12.56	8.93	3,029	0.51	1.24	86
Class C	11.30	0.05	0.87	0.92	12.22	8.14	2,597	1.26	0.51	—
Class E	11.61	0.11	0.96	1.07	12.68	9.22	345	0.26	1.54	—
CHET Advisor Growth Portfolio										
Class A	13.24	0.09	2.53	2.62	15.86	19.79	12,061	0.51	0.70	62
Class C	12.97	(0.01)	2.47	2.46	15.43	18.97	3,998	1.26	(0.07)	—
Class E	13.33	0.13	2.56	2.69	16.02	20.18	1,737	0.26	0.92	—
CHET Advisor Balanced Portfolio										
Class A	12.37	0.09	1.86	1.95	14.32	15.76	7,990	0.51	0.77	68
Class C	12.12	—	1.80	1.80	13.92	14.85	4,969	1.26	0.02	—
Class E	12.45	0.12	1.88	2.00	14.45	16.06	1,563	0.26	1.08	—
The Hartford Capital Appreciation 529 Portfolio										
Class A	13.41	0.01	3.51	3.52	16.93	26.25	2,414	0.51	0.08	4
Class C	13.14	(0.08)	3.40	3.32	16.46	25.27	2,645	1.26	(0.64)	—
Class E	13.51	0.05	3.53	3.58	17.09	26.50	1,561	0.26	0.38	—
CHET Advisor Checks & Balances Portfolio										
Class A	12.87	0.15	2.19	2.34	15.21	18.18	2,648	0.51	1.23	10
Class C	12.61	0.06	2.12	2.18	14.79	17.29	1,561	1.26	0.47	—
Class E	2.96	0.19	2.21	2.40	15.36	18.52	340	0.26	1.45	—
The Hartford Dividend and Growth 529 Portfolio										
Class A	14.30	0.20	3.07	3.27	17.57	22.87	4,228	0.51	1.44	6
Class C	14.01	0.09	2.98	3.07	17.08	21.91	5,637	1.26	0.68	—
Class E	14.39	0.22	3.12	3.34	17.73	23.21	1,461	0.26	1.73	—
Hartford Equity Income 529 Portfolio⁽³⁾										
Class A	14.57	0.25	2.79	3.04	17.61	13.26 ⁽⁴⁾	1,771	0.51	1.83	83
Class C	14.28	0.11	2.74	2.85	17.13	12.48 ⁽⁴⁾	767	1.26	0.99	—
Class E	14.67	0.29	2.82	3.11	17.78	13.55 ⁽⁴⁾	268	0.26	1.99	—

See notes to financial statements.

CONNECTICUT HIGHER EDUCATION TRUST - ADVISOR PLAN

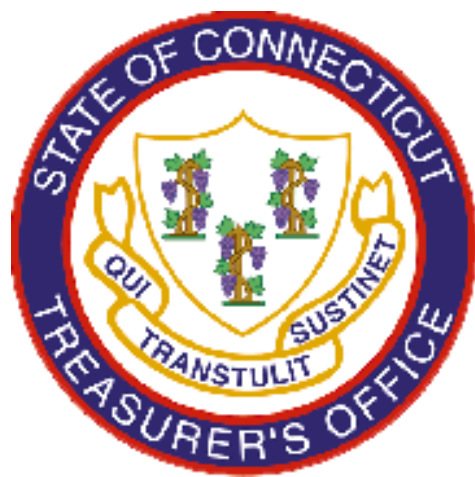
**FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED JUNE 30, 2014 (Continued)**

	-- 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⁽⁵⁾										
Class A	\$10.00	\$0.02	\$1.08	\$1.10	\$11.10	11.00% ⁽⁶⁾	\$80	0.51% ⁽⁷⁾	0.39% ⁽⁷⁾	12%
Class C	10.00	(0.03)	1.05	1.02	11.02	10.20 ⁽⁶⁾	63	1.26 ⁽⁷⁾	(0.52) ⁽⁷⁾	—
Class E	10.00	0.04	1.08	1.12	11.12	11.20 ⁽⁶⁾	48	0.26 ⁽⁷⁾	0.50 ⁽⁷⁾	—
The Hartford Growth Opportunities 529 Portfolio										
Class A	14.53	(0.07)	4.15	4.08	18.61	28.08	1,989	0.51	(0.47)	17
Class C	14.24	(0.18)	4.04	3.86	18.10	27.11	953	1.26	(1.35)	—
Class E	14.63	(0.04)	4.20	4.16	18.79	28.43	397	0.26	(0.22)	—
The Hartford Inflation Plus 529 Portfolio										
Class A	10.90	(0.03)	0.26	0.23	11.13	2.11	1,405	0.51	(0.22)	18
Class C	10.67	(0.13)	0.28	0.15	10.82	1.41	1,326	1.26	(1.01)	—
Class E	10.97	—	0.26	0.26	11.23	2.37	239	0.26	0.03	—
The Hartford International Opportunities 529 Portfolio										
Class A	11.25	0.11	2.23	2.34	13.59	20.80	1,973	0.51	1.03	5
Class C	11.02	0.01	2.17	2.18	13.20	19.78	1,196	1.26	0.14	—
Class E	11.33	0.12	2.26	2.38	13.71	21.01	682	0.26	1.19	—
The Hartford MidCap 529 Portfolio										
Class A	14.33	(0.07)	4.58	4.51	18.84	31.47	1,972	0.51	(0.45)	3
Class C	14.04	(0.19)	4.48	4.29	18.33	30.56	1,521	1.26	(1.36)	—
Class E	14.42	(0.03)	4.63	4.60	19.02	31.90	839	0.26	(0.21)	—
CHET Advisor Money Market 529 Portfolio⁽⁸⁾										
Class A	10.00	—	—	—	10.00	— ⁽⁹⁾	2,593	— ⁽¹⁰⁾	0.01	107
Class C	10.00	—	—	—	10.00	— ⁽⁹⁾	6,324	— ⁽¹⁰⁾	0.01	—
Class E	10.00	—	—	—	10.00	— ⁽⁹⁾	1,193	— ⁽¹⁰⁾	0.01	—
Hartford SmallCap Growth 529 Portfolio⁽¹¹⁾										
Class A	15.00	(0.07)	3.78	3.71	18.71	15.42 ⁽¹²⁾	1,738	0.51	(0.50)	83
Class C	14.69	(0.19)	3.69	3.50	18.19	14.56 ⁽¹²⁾	801	1.26	(1.28)	—
Class E	15.10	(0.03)	3.81	3.78	18.88	15.62 ⁽¹²⁾	509	0.26	(0.25)	—
The Hartford Total Return Bond 529 Portfolio										
Class A	10.88	0.18	0.47	0.65	11.53	5.97	2,444	0.51	2.19	29
Class C	10.65	0.17	0.39	0.56	11.21	5.26	1,982	1.26	1.46	—
Class E	10.95	0.16	0.53	0.69	11.64	6.30	373	0.26	2.46	—
Hartford World Bond 529 Portfolio⁽⁵⁾										
Class A	10.00	0.05	0.29	0.34	10.34	3.40 ⁽⁶⁾	312	0.51 ⁽⁷⁾	1.18 ⁽⁷⁾	8
Class C	10.00	0.02	0.25	0.27	10.27	2.70 ⁽⁶⁾	1,271	1.25 ⁽⁷⁾	0.49 ⁽⁷⁾	—
Class E	10.00	0.06	0.30	0.36	10.36	3.60 ⁽⁶⁾	273	0.26 ⁽⁷⁾	1.32 ⁽⁷⁾	—

- (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) Effective August 2, 2013, the name of The Hartford Value 529 Portfolio changed to Hartford Equity Income 529 Portfolio.
- (4) Represents cumulative returns from August 2, 2013 through June 30, 2014. From July 1, 2013 through August 1, 2013 the fund was formerly known as The Hartford Value 529 Portfolio. During this period, the return for each class was: 6.66% for Class A, 6.58% for Class C and 6.68% for Class E.
- (5) From August 2, 2013 (commencement of operations), through June 30, 2014.
- (6) Not annualized.
- (7) Annualized.
- (8) Effective August 2, 2013, the name of The Hartford Money Market 529 Portfolio changed to CHET Advisor Money Market 529 Portfolio.
- (9) Represents cumulative returns from August 2, 2013 through June 30, 2014. From July 1, 2013 through August 1, 2013 the fund was formerly known as The Hartford Money Market 529 Portfolio. During this period, the return for each class was: 0.00% for Class A, 0.00% for Class C and 0.00% for Class E.
- (10) As of June 30, 2014 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).
- (11) Effective August 2, 2013, the name of The Hartford Small Company 529 Portfolio changed to Hartford SmallCap Growth 529 Portfolio.
- (12) Represents cumulative returns from August 2, 2013 through June 30, 2014. From July 1, 2013 through August 1, 2013 the fund was formerly known as The Hartford Small Company 529 Portfolio. During this period, the return for each class was: 8.07% for Class A, 8.03% for Class C and 8.08% for 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, 2014

<u>Retirement Funds</u>	<u>Net Position Value</u>
Teachers' Retirement Fund	\$16,220,107,287
State Employees' Retirement Fund	10,469,351,955
Municipal Employees' Retirement Fund	2,161,258,170
State Judges' Retirement Fund	187,773,636
The Probate Court Retirement Fund	90,240,074
State's Attorneys Retirement Fund	1,472,956
<u>Non-retirement Trust Funds</u>	
Soldiers' Sailors' & Marines' Fund	72,347,913
Police & Firemans' Survivors' Benefit Fund	27,185,277
Connecticut Arts Endowment Fund	19,046,210
School Fund	11,058,446
Ida Eaton Cotton Fund	2,457,693
Hopemead State Park Fund	3,396,496
Andrew C. Clark Fund	1,155,982
Agricultural College Fund	657,135
OPEB Fund	160,421,936
TOTAL	<u>\$29,427,931,166</u>

COMBINED INVESTMENT FUNDS

**SCHEDULE OF NET POSITION BY INVESTMENT FUND
JUNE 30, 2014**

	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	\$ -	\$52,048,795	\$60,220,085	\$167,550,921	\$60,660,698	\$48,456,724
Cash Equivalents	619,902,143	-	-	-	-	200,000
Asset Backed Securities	129,766,609	-	-	40,247,817	-	(336,110)
Government Securities	454,376,198	-	-	535,746,024	1,014,829,097	739,995,054
Government Agency Securities	184,258,091	-	-	513,633,994	-	-
Mortgage Backed Securities	60,655,252	-	-	232,363,919	-	-
Corporate Debt	439,189,464	-	-	496,943,292	-	141,366,893
Convertible Securities	-	-	-	-	-	-
Common Stock	-	-	6,794,925,731	5,000,000	-	(36,004)
Preferred Stock	-	-	-	3,728,914	-	477,318
Real Estate Investment Trust	-	-	194,377,841	23,428,857	-	-
Business Development Corporation	-	-	-	-	-	-
Mutual Fund	295,432,613	-	176,148	-	-	569,945,752
Limited Liability Corporation	-	-	-	-	-	-
Trusts	-	-	-	-	-	-
Limited Partnerships	-	1,297,928,655	5,313,076	555,202,392	-	-
Total Investments in Securities, at Fair Value	2,183,580,370	1,349,977,450	7,055,012,881	2,573,846,130	1,075,489,795	1,500,069,627
Cash	2,743,092	-	-	1,081,731	-	2,240,811
Receivables						
Foreign Exchange Contracts	759,982,609	-	-	3,305,525	15,488,640	68,746,461
Interest Receivable	6,224,740	49,288	49,480	10,944,853	5,809,552	15,481,211
Dividends Receivable	-	-	6,752,288	-	-	-
Due from Brokers	7,536,107	-	78,425,364	164,301,910	12,921,857	2,662,873
Foreign Taxes	258,193	-	-	46	-	230,568
Securities Lending Receivable	-	-	263,881	52,330	44,290	4,437
Reserve for Doubtful Receivables	-	-	(9,303)	(1,129,071)	-	(16,669)
Total Receivables	774,001,649	49,288	85,481,710	177,475,593	34,264,339	87,108,881
Invested Securities Lending Collateral	-	-	573,788,915	192,584,640	476,609,924	12,343,335
Prepaid Expenses	-	-	-	-	-	-
Total Assets	2,960,325,111	1,350,026,738	7,714,283,506	2,944,988,094	1,586,364,058	1,601,762,654
LIABILITIES						
Payables						
Foreign Exchange Contracts	760,432,591	-	-	3,313,681	15,728,028	68,686,001
Due to Brokers	8,372,905	-	78,344,563	333,562,197	15,090,999	5,898,919
Income Distribution	2,031,388	-	-	-	-	-
Other Payable	-	-	157,679	-	-	-
Total Payables	770,836,884	-	78,502,242	336,875,878	30,819,027	74,584,920
Securities Lending Collateral	-	-	573,788,915	192,584,640	476,609,924	12,343,335
Accrued Expenses	1,311,202	136,186	3,508,635	839,757	254,202	1,157,419
Total Liabilities	772,148,086	136,186	655,799,792	530,300,275	507,683,153	88,085,674
NET POSITION HELD IN TRUST FOR PARTICIPANTS	\$2,188,177,025	\$1,349,890,552	\$7,058,483,714	\$2,414,687,819	\$1,078,680,905	\$1,513,676,980
Units Outstanding	2,191,299,601	1,192,345,015	4,968,681	19,696,515	6,915,915	9,287,711
Net Position Value and Redemption Price per Unit	\$1.00	\$1.13	\$1,420.60	\$122.59	\$155.97	\$162.98

COMBINED INVESTMENT FUNDS

SCHEDULE OF NET POSITION BY INVESTMENT FUND (Continued)
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
\$105,004,847	\$106,601,160	\$75,069,024	\$80,688,206	\$41,644	\$268,276,431	\$(1,024,618,535)	\$ -
-	2,534,550	-	-	-	-	-	622,636,693
-	774,978	-	-	-	-	-	170,453,294
53,281,700	-	-	-	-	-	-	2,798,228,073
-	-	-	-	-	-	-	697,892,085
-	-	-	-	25,965	-	-	293,045,136
1,303,673,950	-	-	-	-	-	-	2,381,173,599
42,805,302	-	-	-	-	-	-	42,805,302
18,100,381	5,872,887,735	2,279,235,599	-	-	-	-	14,970,113,442
14,824,802	42,190,874	75,236,609	-	-	-	-	136,458,517
25,367,464	63,911,344	3,037,253	-	-	-	-	310,122,759
29,922,402	-	-	-	-	-	-	29,922,402
-	12,860,850	212,852,772	-	-	-	-	1,091,268,135
-	-	-	-	-	1,156,486	-	1,156,486
-	-	-	836,324	-	-	-	836,324
-	-	-	1,428,232,742	-	2,649,545,265	-	5,936,222,130
1,592,980,848	6,101,761,491	2,645,431,257	1,509,757,272	67,609	2,918,978,182	(1,024,618,535)	29,482,334,377
981,704	42,938,019	3,176,400	935,961	-	-	(2,743,092)	51,354,626
14,006,138	3,445,395,619	2,937,188	-	-	-	(712,799,498)	3,597,062,682
22,427,645	92,211	63,424	100,218	34	189,672	(6,224,740)	55,207,588
24,287	11,685,421	11,039,444	-	-	-	-	29,501,440
9,974,890	42,223,878	2,108,909	-	-	-	(7,536,107)	312,619,681
6,665	3,300,369	269,447	-	-	-	(258,193)	3,807,095
107,782	460,062	159,398	-	-	-	-	1,092,180
(1,478,355)	(113,053)	(238,179)	-	-	-	-	(2,984,630)
45,069,052	3,503,044,507	16,339,631	100,218	34	189,672	(726,818,538)	3,996,306,036
254,292,142	265,220,546	271,880,547	-	-	-	-	2,046,720,049
-	-	-	-	2,835	1,901,130	-	1,903,965
1,893,323,746	9,912,964,563	2,936,827,835	1,510,793,451	70,478	2,921,068,984	(1,754,180,165)	35,578,619,053
14,121,409	3,453,204,989	2,938,896	-	-	-	(760,432,591)	3,557,993,004
35,154,745	53,838,947	2,976,063	-	-	-	(8,372,905)	524,866,433
-	-	-	-	-	-	(903,590)	1,127,798
-	-	-	-	-	-	-	157,679
49,276,154	3,507,043,936	5,914,959	-	-	-	(769,709,086)	4,084,144,914
254,292,142	265,220,546	271,880,547	-	-	-	-	2,046,720,049
1,335,530	5,555,340	3,955,525	478,251	-	1,986,813	(695,936)	19,822,924
304,903,826	3,777,819,822	281,751,031	478,251	-	1,986,813	(770,405,022)	6,150,687,887
\$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
11,362,147	13,333,114	6,685,872	38,259,396	2,107	53,346,705		
\$139.80	\$460.14	\$397.12	\$39.48	\$33.45	\$54.72		

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	\$ -	\$2,199,914	\$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	2,867,355	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	2,163,977	115,940,404	55,639,609	29,366,640	80,611,859
Net Realized Gain (Loss)	(18,903,264)	(1,048,820)	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	\$72,108,683	\$ -	\$281,761,973	\$ -	\$745,376,417
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	73,007,220	11,772	282,724,538	(8,665,012)	1,032,419,905
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	65,203,399	11,769	277,195,252	(6,320,629)	948,107,845
12,760,793	234,545,230	(12,506,978)	(86,848,767)	(5,263)	(22,915,900)	8,704,826	613,827,063
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		

COMBINED INVESTMENT FUNDS

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

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

COMBINED INVESTMENT FUNDS

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

HIGH YIELD- DEBT FUND	DEVELOPED MARKET INTERNATIONAL STOCK FUND	EMERGING MARKET INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMINATION ENTRY	TOTAL
\$489,259	\$168,437,880	\$58,729,939	\$82,287,394	\$ -	\$294,256,420	\$(6)	\$747,876,481
60,211,323	835,159	244,733	845,933	56,260	852,583	(8,959,665)	181,792,299
1,321,266	138,831	1,921	-	-	459	(2,871)	10,731,801
1,248,828	5,058,600	1,509,549	-	-	-	-	18,418,651
63,270,676	174,470,470	60,486,142	83,133,327	56,260	295,109,462	(8,962,542)	958,819,232
3,211,831	19,676,452	16,111,435	3,988,963	6,250	5,210,437	(2,555,097)	71,448,062
130,663	725,249	339,516	167,151	-	312,757	(134,351)	3,337,960
22,006	158,360	136,069	332,299	-	1,319,478	(15,098)	3,168,514
173,764	757,374	223,975	-	-	-	-	2,494,006
90,627	9,955	16,538	-	-	-	-	1,617,639
17,349	380,055	2,452,408	9,383	20,091	18,596	-	4,804,501
3,646,240	21,707,445	19,279,941	4,497,796	26,341	6,861,268	(2,704,546)	86,870,682
59,624,436	152,763,025	41,206,201	78,635,531	29,919	288,248,194	(6,257,996)	871,948,550
10,711,616	341,750,921	28,695,302	3,505,777	807	(29,020,348)	(2,486,911)	1,280,009,316
(5,937,280)	555,285,704	(3,855,243)	55,721,310	(48,799)	(29,684,148)	4,527,014	625,828,545
64,398,772	1,049,799,650	66,046,260	137,862,618	(18,073)	229,543,698	(4,217,893)	2,777,786,411
530,500,888	141,292,274	140,676,593	130,750,510	-	69,308,932	(2,071,114,410)	4,981,449,103
594,899,660	1,191,091,924	206,722,853	268,613,128	(18,073)	298,852,630	(2,075,332,303)	7,759,235,514
(133,572)	(713,920)	(342,389)	(470,689)	(17)	(505,625)	153,172	(4,261,320)
(47,980,397)	(99,285,065)	(30,746,870)	(89,524,002)	(42,519)	(320,092,764)	6,104,820	(813,186,252)
(9,336,186)	(269,869,637)	(34,022,698)	(25,000,000)	(635,000)	-	1,512,543,313	(4,977,740,800)
(57,450,155)	(369,868,622)	(65,111,957)	(114,994,691)	(677,536)	(320,598,389)	1,518,801,305	(5,795,188,372)
537,449,505	821,223,302	141,610,896	153,618,437	(695,609)	(21,745,759)	(556,530,998)	1,964,047,142
710,768,786	4,626,164,064	2,227,476,507	1,328,371,843	768,554	2,572,146,728	(750,907,684)	23,976,761,898
\$1,248,218,291	\$5,447,387,366	\$2,369,087,403	\$1,481,990,280	\$72,945	\$2,550,400,969	\$(1,307,438,682)	\$25,940,809,040
4,173,966	397,848	354,898	3,628,126	-	1,443,216		
(74,608)	(717,320)	(86,411)	(707,235)	(16,647)	-		
4,099,358	(319,472)	268,487	2,920,891	(16,647)	1,443,216		

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN
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
Teachers' Retirement Fund						
Book Value at June 30, 2013	\$581,016,736	\$629,868,000	\$701,585,915	\$866,965,547	\$406,712,626	\$651,600,289
Market Value at June 30, 2013	\$577,649,601	\$663,055,513	\$3,600,744,906	\$963,130,029	\$479,044,217	\$802,014,136
Shares Purchased	1,732,315,355	-	-	165,000,000	-	-
Shares Redeemed	(1,466,159,628)	-	(534,000,000)	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(3,395,994)	-	445,126,163	-	-	-
Net Investment Income Earned	4,003,763	-	16,451,975	7,889,057	2,429,755	-
Net Investment Income Distributed	(4,003,763)	-	(16,451,975)	(7,889,057)	(2,429,755)	-
Changes in Market Value of Fund Shares	3,471,271	43,943,397	411,378,018	42,847,444	17,284,995	55,974,266
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
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
Shares Outstanding	845,084,842	624,485,176	2,761,695	9,551,618	3,182,193	5,264,498
Market Value per Share	\$1.00	\$1.13	\$1,420.60	\$122.59	\$155.97	\$162.98
State Employees' Retirement Fund						
Book Value at June 30, 2013	\$481,779,635	\$393,420,000	\$387,894,173	\$623,729,373	\$259,055,068	\$318,201,035
Market Value at June 30, 2013	\$479,490,068	\$414,152,313	\$2,250,243,741	\$688,355,132	\$308,693,072	\$422,319,799
Shares Purchased	82,348,373	-	4,500,000	215,000,000	130,000,000	-
Shares Redeemed	(276,377,776)	-	(116,000,000)	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(1,433,979)	-	98,234,710	-	-	-
Net Investment Income Earned	2,108,644	-	10,281,471	5,638,361	1,565,718	-
Net Investment Income Distributed	(2,108,644)	-	(10,281,471)	(5,638,361)	(1,565,718)	-
Changes in Market Value of Fund Shares	1,087,077	27,447,570	447,756,524	35,025,625	17,817,212	29,474,594
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
Book Value at June 30, 2014	\$286,316,253	\$393,420,000	\$374,628,883	\$838,729,373	\$389,055,068	\$318,201,035
Shares Outstanding	285,520,628	390,060,834	1,889,867	7,654,336	2,926,896	2,772,148
Market Value per Share	\$1.00	\$1.13	\$1,420.60	\$122.59	\$155.97	\$162.98
Municipal Employees' Retirement Fund						
Book Value at June 30, 2013	\$31,223,591	\$146,920,630	\$64,929,132	\$134,043,908	\$73,408,835	\$147,337,525
Market Value at June 30, 2013	\$31,010,160	\$152,265,219	\$303,747,853	\$144,234,183	\$86,661,399	\$163,168,821
Shares Purchased	135,233,137	10,189,935	2,000,000	21,512,039	17,283,768	9,809,465
Shares Redeemed	(106,749,860)	(6,434,148)	(24,722,867)	(1,016,128)	-	(9,639,524)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(315,864)	568,254	19,917,156	82,287	-	896,782
Net Investment Income Earned	318,952	-	1,387,838	1,181,431	439,554	-
Net Investment Income Distributed	(318,952)	-	(1,387,838)	(1,181,431)	(439,554)	-
Changes in Market Value of Fund Shares	160,912	9,919,008	53,006,171	5,986,600	3,794,158	10,426,725
Market Value at June 30, 2014	\$59,338,485	\$166,508,268	\$353,948,313	\$170,798,981	\$107,739,325	\$174,662,269
Book Value at June 30, 2014	\$59,391,004	\$151,244,671	\$62,123,421	\$154,622,106	\$90,692,603	\$148,404,248
Shares Outstanding	59,423,166	147,075,099	249,155	1,393,201	690,766	1,071,703
Market Value per Share	\$1.00	\$1.13	\$1,420.60	\$122.59	\$155.97	\$162.98

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (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	TOTAL
\$519,899,049	\$1,984,541,917	\$835,417,118	\$1,017,841,756	\$97,857	\$1,992,352,371	\$10,187,899,181
\$591,311,157	\$3,159,295,995	\$1,351,479,305	\$820,947,038	\$39,687	\$1,444,832,260	\$14,453,543,844
72,500,000	-	-	-	-	-	1,969,815,355
-	(274,000,000)	-	(73,000,000)	(4,897)	-	(2,347,164,525)
-	-	-	-	-	-	-
-	115,152,580	-	(16,990,275)	(7,137)	-	539,885,337
6,819,337	28,735,272	9,611,684	19,100,801	-	38,069,185	133,110,829
(6,819,337)	(28,735,272)	(9,611,684)	(19,100,801)	-	(38,069,185)	(133,110,829)
70,723,743	534,581,172	144,495,019	79,260,738	10,692	200,056,521	1,604,027,276
\$734,534,900	\$3,535,029,747	\$1,495,974,324	\$810,217,501	\$38,345	\$1,644,888,781	\$16,220,107,287
\$592,399,049	\$1,825,694,497	\$835,417,118	\$927,851,481	\$85,823	\$1,992,352,371	\$10,350,435,348
5,254,211	7,682,452	3,767,082	20,524,479	1,147	30,060,612	1,557,620,006
\$139.80	\$460.14	\$397.12	\$39.48	\$33.45	\$54.72	
\$326,958,589	\$1,170,827,870	\$536,857,122	\$638,911,348	\$68,955	\$1,266,957,799	\$6,404,660,967
\$363,593,095	\$1,980,408,279	\$875,344,437	\$508,093,384	\$28,116	\$888,851,310	\$9,179,572,746
87,500,000	-	-	-	-	-	519,348,373
-	(169,000,000)	-	(32,000,000)	(3,469)	-	(593,381,245)
-	-	-	-	-	-	-
-	76,171,476	-	(8,008,718)	(5,010)	-	164,958,479
4,193,159	18,012,738	6,225,426	11,821,701	-	23,419,912	83,267,130
(4,193,159)	(18,012,738)	(6,225,426)	(11,821,701)	-	(23,419,912)	(83,267,130)
45,836,117	330,183,103	93,588,493	47,556,320	7,528	123,073,439	1,198,853,602
\$496,929,212	\$2,217,762,858	\$968,932,930	\$515,640,986	\$27,165	\$1,011,924,749	\$10,469,351,955
\$414,458,589	\$1,077,999,346	\$536,857,122	\$598,902,630	\$60,476	\$1,266,957,799	\$6,495,586,574
3,554,591	4,819,721	2,439,915	13,062,249	812	18,493,091	733,195,087
\$139.80	\$460.14	\$397.12	\$39.48	\$33.45	\$54.72	
\$249,382,330	\$131,843,759	\$70,569,570	\$155,297,196	\$10,621	\$252,481,887	\$1,457,448,984
\$252,168,891	\$251,762,385	\$119,226,226	\$133,275,375	\$4,362	\$190,607,821	\$1,828,132,695
23,663,912	12,096,544	31,761,902	8,009,882	-	10,897,722	282,458,306
(5,038,106)	(15,874,201)	(10,454,162)	(3,353,741)	(538)	(11,478,148)	(194,761,423)
-	-	-	-	-	-	-
423,076	8,361,713	4,131,124	(292,136)	(768)	(2,341,502)	31,430,122
2,908,154	2,289,897	847,934	3,100,889	-	5,022,233	17,496,882
(2,908,154)	(2,289,897)	(847,934)	(3,100,889)	-	(5,022,233)	(17,496,882)
30,164,653	47,370,261	11,937,167	11,774,439	1,159	29,457,217	213,998,470
\$301,382,426	\$303,716,702	\$156,602,257	\$149,413,819	\$4,215	\$217,143,110	\$2,161,258,170
\$268,431,212	\$136,427,815	\$96,008,434	\$159,661,201	\$9,315	\$249,559,959	\$1,576,575,989
2,155,823	660,048	394,347	3,784,960	126	3,968,326	220,866,720
\$139.80	\$460.14	\$397.12	\$39.48	\$33.45	\$54.72	

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
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
Probate Court Retirement Fund						
Book Value at June 30, 2013	\$2,512,372	\$4,079,542	\$2,168,226	\$6,459,995	\$3,328,358	\$5,357,117
Market Value at June 30, 2013	\$2,501,036	\$4,278,561	\$13,657,066	\$7,293,243	\$3,894,901	\$6,124,437
Shares Purchased	3,957,573	145,825	-	555,589	454,543	844,436
Shares Redeemed	(4,198,000)	(351,587)	(1,959,012)	(99,040)	(1,517)	(166,401)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(9,803)	27,235	1,674,177	12,400	210	27,412
Net Investment Income Earned	12,010	-	62,400	59,739	19,755	-
Net Investment Income Distributed	(12,010)	-	(62,400)	(59,739)	(19,755)	-
Changes in Market Value of Fund Shares	11,241	250,886	1,428,098	271,968	156,849	473,784
Market Value at June 30, 2014	\$2,262,047	\$4,350,920	\$14,800,329	\$8,034,160	\$4,504,986	\$7,303,668
Book Value at June 30, 2014	\$2,262,142	\$3,901,015	\$1,883,391	\$6,928,944	\$3,781,594	\$6,062,564
Shares Outstanding	2,265,270	3,843,125	10,418	65,534	28,884	44,814
Market Value per Share	\$1.00	\$1.13	\$1,420.60	\$122.59	\$155.97	\$162.98
Judges' Retirement Fund						
Book Value at June 30, 2013	\$5,553,656	\$13,520,031	\$6,864,068	\$12,275,798	\$6,774,040	\$11,090,261
Market Value at June 30, 2013	\$5,523,824	\$14,011,293	\$27,951,714	\$13,271,169	\$7,974,456	\$12,542,328
Shares Purchased	4,080,262	532,798	-	1,151,002	1,059,859	1,926,295
Shares Redeemed	(4,450,438)	(997,160)	(3,600,585)	(107,045)	-	(334,994)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(20,276)	67,203	2,789,684	9,410	-	52,150
Net Investment Income Earned	25,441	-	127,712	108,705	40,447	-
Net Investment Income Distributed	(25,441)	-	(127,712)	(108,705)	(40,447)	-
Changes in Market Value of Fund Shares	18,963	851,146	3,612,182	514,618	326,487	990,185
Market Value at June 30, 2014	\$5,152,335	\$14,465,280	\$30,752,995	\$14,839,154	\$9,360,802	\$15,175,964
Book Value at June 30, 2014	\$5,163,204	\$13,122,872	\$6,053,167	\$13,329,165	\$7,833,899	\$12,733,712
Shares Outstanding	5,159,688	12,777,036	21,648	121,042	60,016	93,118
Market Value per Share	\$1.00	\$1.13	\$1,420.60	\$122.59	\$155.97	\$162.98
State's Attorneys' Retirement Fund						
Book Value at June 30, 2013	\$212,793	\$-	\$37,049	\$555,160	\$17,299	\$45,435
Market Value at June 30, 2013	\$212,146	\$-	\$248,547	\$594,176	\$24,368	\$64,771
Shares Purchased	32,598	-	121,670	27,504	3,697	18,981
Shares Redeemed	(224,800)	-	(19,543)	(301,711)	-	(1,268)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(551)	-	11,906	19,351	-	350
Net Investment Income Earned	233	-	1,136	4,866	124	-
Net Investment Income Distributed	(233)	-	(1,136)	(4,866)	(124)	-
Changes in Market Value of Fund Shares	644	-	69,775	(8,371)	982	5,449
Market Value at June 30, 2014	\$20,037	\$-	\$432,355	\$330,949	\$29,047	\$88,283
Book Value at June 30, 2014	\$20,040	\$-	\$151,082	\$300,304	\$20,996	\$63,498
Shares Outstanding	20,065	-	304	2,700	186	542
Market Value per Share	\$1.00	\$-	\$1,420.60	\$122.59	\$155.97	\$162.98

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (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	TOTAL
\$11,964,415	\$5,901,704	\$3,054,290	\$7,189,848	\$641	\$10,726,862	\$62,743,370
\$12,145,380	\$12,077,360	\$5,359,205	\$5,992,001	\$259	\$8,569,855	\$81,893,304
284,067	-	1,006,844	123,740	-	120,436	7,493,053
(313,129)	(1,016,077)	(487,333)	(355,906)	(32)	(758,531)	(9,706,565)
-	-	-	-	-	-	-
27,627	581,058	210,187	(53,332)	(47)	(128,829)	2,368,295
140,068	109,849	38,115	139,415	-	225,803	807,154
(140,068)	(109,849)	(38,115)	(139,415)	-	(225,803)	(807,154)
1,357,550	1,964,384	459,777	540,995	70	1,276,385	8,191,987
\$13,501,495	\$13,606,725	\$6,548,680	\$6,247,498	\$250	\$9,079,316	\$90,240,074
\$11,962,980	\$5,466,685	\$3,783,988	\$6,904,350	\$562	\$9,959,938	\$62,898,153
96,578	29,571	16,491	158,262	7	165,926	6,724,880
\$139.80	\$460.14	\$397.12	\$39.48	\$33.45	\$54.72	
\$22,930,840	\$12,872,398	\$6,405,194	\$14,907,660	\$1,117	\$24,005,968	\$137,201,031
\$23,203,899	\$23,073,496	\$10,970,717	\$12,264,069	\$459	\$17,539,723	\$168,327,147
781,073	1,447	2,208,780	293,351	-	303,750	12,338,617
(472,183)	(1,584,606)	(961,443)	(582,960)	(57)	(1,351,364)	(14,442,835)
-	-	-	-	-	-	-
40,214	815,235	400,872	(94,485)	(80)	(366,903)	3,693,024
267,600	209,864	78,024	285,345	-	462,145	1,605,283
(267,600)	(209,864)	(78,024)	(285,345)	-	(462,145)	(1,605,283)
2,631,214	4,082,505	988,229	1,101,522	122	2,740,510	17,857,683
\$26,184,217	\$26,388,077	\$13,607,155	\$12,981,497	\$444	\$18,865,716	\$187,773,636
\$23,279,944	\$12,104,474	\$8,053,403	\$14,523,566	\$980	\$22,591,451	\$138,789,837
187,299	57,347	34,265	328,848	13	344,774	19,185,095
\$139.80	\$460.14	\$397.12	\$39.48	\$33.45	\$54.72	
\$53,177	\$-	\$-	\$77,349	\$-	\$-	\$998,262
\$61,805	\$-	\$-	\$65,777	\$-	\$-	\$1,271,590
71,488	285,642	100,407	-	-	-	661,987
(1,765)	(9,866)	(4,546)	(65,781)	-	-	(629,280)
-	-	-	-	-	-	-
226	924	288	(11,568)	-	-	20,926
713	-	-	1,531	-	-	8,603
(713)	-	-	(1,531)	-	-	(8,603)
13,337	44,957	9,388	11,572	-	-	147,733
\$145,091	\$321,657	\$105,537	\$-	\$-	\$-	\$1,472,956
\$123,126	\$276,700	\$96,149	\$-	\$-	\$-	\$1,051,895
1,038	699	266	-	-	-	25,800
\$139.80	\$460.14	\$397.12	\$-	\$-	\$-	

PENSION FUNDS MANAGEMENT DIVISION
COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST
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
Soldiers' Sailors' & Marines' Fund						
Book Value at June 30, 2013	\$2,015,316	\$-	\$4,656,339	\$40,267,130	\$-	\$-
Market Value at June 30, 2013	\$2,003,233	\$-	\$10,701,203	\$45,375,002	\$-	\$-
Shares Purchased	1,680,903	-	-	1,835,381	-	-
Shares Redeemed	(2,211,802)	-	(1,846,172)	(454,795)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(8,525)	-	1,114,430	56,955	-	-
Net Investment Income Earned	9,532	-	48,895	371,670	-	-
Net Investment Income Distributed	(9,532)	-	(48,895)	(371,670)	-	-
Changes in Market Value of Fund Shares	9,084	-	1,283,350	1,682,519	-	-
Market Value at June 30, 2014	\$1,472,893	\$-	\$11,252,811	\$48,495,062	\$-	\$-
Book Value at June 30, 2014	\$1,475,892	\$-	\$3,924,597	\$41,704,671	\$-	\$-
Shares Outstanding	1,474,995	-	7,921	395,572	-	-
Market Value per Share	\$1.00	\$-	\$1,420.60	\$122.59	\$-	\$-
Endowment for the Arts						
Book Value at June 30, 2013	\$566,798	\$-	\$2,450,495	\$11,043,908	\$-	\$-
Market Value at June 30, 2013	\$563,314	\$-	\$2,800,155	\$11,876,177	\$-	\$-
Shares Purchased	752,537	-	-	465,576	-	-
Shares Redeemed	(755,158)	-	(491,980)	(144,137)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(2,722)	-	100,151	10,558	-	-
Net Investment Income Earned	3,041	-	12,793	97,278	-	-
Net Investment Income Distributed	(3,041)	-	(12,793)	(97,278)	-	-
Changes in Market Value of Fund Shares	2,086	-	526,567	440,964	-	-
Market Value at June 30, 2014	\$560,057	\$-	\$2,934,893	\$12,649,138	\$-	\$-
Book Value at June 30, 2014	\$561,455	\$-	\$2,058,666	\$11,375,905	\$-	\$-
Shares Outstanding	560,857	-	2,066	103,179	-	-
Market Value per Share	\$1.00	\$-	\$1,420.60	\$122.59	\$-	\$-
Agricultural College Fund						
Book Value at June 30, 2013	\$1,788	\$-	\$-	\$630,304	\$-	\$-
Market Value at June 30, 2013	\$1,779	\$-	\$-	\$646,906	\$-	\$-
Shares Purchased	10,474	-	-	6,895	-	-
Shares Redeemed	(12,243)	-	-	(20,000)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(7)	-	-	341	-	-
Net Investment Income Earned	12	-	-	5,299	-	-
Net Investment Income Distributed	(12)	-	-	(5,299)	-	-
Changes in Market Value of Fund Shares	10	-	-	22,980	-	-
Market Value at June 30, 2014	\$13	\$-	\$-	\$657,122	\$-	\$-
Book Value at June 30, 2014	\$12	\$-	\$-	\$617,540	\$-	\$-
Shares Outstanding	13	-	-	5,360	-	-
Market Value per Share	\$1.00	\$-	\$-	\$122.59	\$-	\$-

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (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	TOTAL
\$-	\$6,703,944	\$2,706,410	\$-	\$-	\$-	\$56,349,139
\$-	\$7,402,072	\$2,559,013	\$-	\$-	\$-	\$68,040,523
-	-	453,880	-	-	-	3,970,164
-	(851,909)	(292,180)	-	-	-	(5,656,858)
-	-	-	-	-	-	-
-	173,298	7,061	-	-	-	1,343,219
-	67,325	18,200	-	-	-	515,622
-	(67,325)	(18,200)	-	-	-	(515,622)
-	1,368,222	307,690	-	-	-	4,650,865
\$-	\$8,091,683	\$3,035,464	\$-	\$-	\$-	\$72,347,913
\$-	\$6,025,333	\$2,875,171	\$-	\$-	\$-	\$56,005,664
-	17,585	7,644	-	-	-	1,903,718
\$-	\$460.14	\$397.12	\$-	\$-	\$-	
\$-	\$1,754,561	\$708,597	\$-	\$-	\$-	\$16,524,359
\$-	\$1,937,274	\$669,792	\$-	\$-	\$-	\$17,846,712
-	15,496	130,348	-	-	-	1,363,957
-	(245,578)	(91,675)	-	-	-	(1,728,528)
-	-	-	-	-	-	-
-	50,587	2,146	-	-	-	160,720
-	17,621	4,763	-	-	-	135,496
-	(17,621)	(4,763)	-	-	-	(135,496)
-	352,697	81,035	-	-	-	1,403,349
\$-	\$2,110,476	\$791,646	\$-	\$-	\$-	\$19,046,210
\$-	\$1,575,066	\$749,416	\$-	\$-	\$-	\$16,320,508
-	4,587	1,993	-	-	-	672,681
\$-	\$460.14	\$397.12	\$-	\$-	\$-	
\$-	\$-	\$-	\$-	\$-	\$-	\$632,092
\$-	\$-	\$-	\$-	\$-	\$-	\$648,685
-	-	-	-	-	-	17,369
-	-	-	-	-	-	(32,243)
-	-	-	-	-	-	-
-	-	-	-	-	-	334
-	-	-	-	-	-	5,311
-	-	-	-	-	-	(5,311)
-	-	-	-	-	-	22,990
\$-	\$-	\$-	\$-	\$-	\$-	\$657,135
\$-	\$-	\$-	\$-	\$-	\$-	\$617,552
-	-	-	-	-	-	5,373
\$-	\$-	\$-	\$-	\$-	\$-	

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
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
Ida Eaton Cotton Fund						
Book Value at June 30, 2013	\$77,084	\$-	\$50,065	\$1,431,473	\$-	\$-
Market Value at June 30, 2013	\$76,613	\$-	\$360,715	\$1,529,847	\$-	\$-
Shares Purchased	61,335	-	-	48,165	-	-
Shares Redeemed	(65,679)	-	(61,830)	(3,552)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(408)	-	53,897	284	-	-
Net Investment Income Earned	350	-	1,648	12,532	-	-
Net Investment Income Distributed	(350)	-	(1,648)	(12,532)	-	-
Changes in Market Value of Fund Shares	408	-	25,933	57,481	-	-
Market Value at June 30, 2014	\$72,269	\$-	\$378,715	\$1,632,225	\$-	\$-
Book Value at June 30, 2014	\$72,332	\$-	\$42,132	\$1,476,370	\$-	\$-
Shares Outstanding	72,372	-	267	13,314	-	-
Market Value per Share	\$1.00	\$-	\$1,420.60	\$122.59	\$-	\$-
Andrew Clark Fund						
Book Value at June 30, 2013	\$25,751	\$-	\$23,917	\$696,278	\$-	\$-
Market Value at June 30, 2013	\$25,580	\$-	\$171,356	\$726,751	\$-	\$-
Shares Purchased	41,240	-	-	22,142	-	-
Shares Redeemed	(32,820)	-	(30,810)	(8,279)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(234)	-	26,820	319	-	-
Net Investment Income Earned	153	-	782	5,953	-	-
Net Investment Income Distributed	(153)	-	(782)	(5,953)	-	-
Changes in Market Value of Fund Shares	226	-	10,763	26,789	-	-
Market Value at June 30, 2014	\$33,992	\$-	\$178,129	\$767,722	\$-	\$-
Book Value at June 30, 2014	\$33,937	\$-	\$19,927	\$710,460	\$-	\$-
Shares Outstanding	34,040	-	125	6,262	-	-
Market Value per Share	\$1.00	\$-	\$1,420.60	\$122.59	\$-	\$-
School Fund						
Book Value at June 30, 2013	\$353,991	\$-	\$224,675	\$6,434,967	\$-	\$-
Market Value at June 30, 2013	\$351,915	\$-	\$1,618,345	\$6,863,539	\$-	\$-
Shares Purchased	414,788	-	-	346,528	-	-
Shares Redeemed	(440,973)	-	(280,952)	(135,239)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(3,005)	-	245,947	12,194	-	-
Net Investment Income Earned	1,252	-	7,394	56,220	-	-
Net Investment Income Distributed	(1,252)	-	(7,394)	(56,220)	-	-
Changes in Market Value of Fund Shares	2,131	-	121,153	256,617	-	-
Market Value at June 30, 2014	\$324,856	\$-	\$1,704,493	\$7,343,639	\$-	\$-
Book Value at June 30, 2014	\$324,801	\$-	\$189,670	\$6,658,450	\$-	\$-
Shares Outstanding	325,320	-	1,200	59,902	-	-
Market Value per Share	\$1.00	\$-	\$1,420.60	\$122.59	\$-	\$-

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (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	TOTAL
\$-	\$226,017	\$91,257	\$-	\$-	\$-	\$1,875,896
\$-	\$249,549	\$86,280	\$-	\$-	\$-	\$2,303,004
-	1,368	14,197	-	-	-	125,065
-	(29,878)	(8,803)	-	-	-	(169,742)
-	-	-	-	-	-	-
-	5,596	201	-	-	-	59,570
-	2,270	613	-	-	-	17,413
-	(2,270)	(613)	-	-	-	(17,413)
-	45,696	10,278	-	-	-	139,796
\$-	\$272,331	\$102,153	\$-	\$-	\$-	\$2,457,693
\$-	\$203,103	\$96,852	\$-	\$-	\$-	\$1,890,789
-	592	257	-	-	-	86,802
\$-	\$460.14	\$397.12	\$-	\$-	\$-	
\$-	\$107,370	\$43,352	\$-	\$-	\$-	\$896,668
\$-	\$118,548	\$40,989	\$-	\$-	\$-	\$1,083,224
-	643	6,272	-	-	-	70,297
-	(15,259)	(4,133)	-	-	-	(91,301)
-	-	-	-	-	-	-
-	2,775	92	-	-	-	29,772
-	1,079	292	-	-	-	8,259
-	(1,079)	(292)	-	-	-	(8,259)
-	21,384	4,828	-	-	-	63,990
\$-	\$128,091	\$48,048	\$-	\$-	\$-	\$1,155,982
\$-	\$95,529	\$45,583	\$-	\$-	\$-	\$905,436
-	278	121	-	-	-	40,827
\$-	\$460.14	\$397.12	\$-	\$-	\$-	
\$-	\$1,013,984	\$409,430	\$-	\$-	\$-	\$8,437,047
\$-	\$1,119,573	\$387,099	\$-	\$-	\$-	\$10,340,471
-	6,328	77,715	-	-	-	845,359
-	(136,365)	(53,335)	-	-	-	(1,046,864)
-	-	-	-	-	-	-
-	30,035	1,397	-	-	-	286,568
-	10,183	2,753	-	-	-	77,802
-	(10,183)	(2,753)	-	-	-	(77,802)
-	205,967	47,044	-	-	-	632,912
\$-	\$1,225,538	\$459,920	\$-	\$-	\$-	\$11,058,446
\$-	\$913,982	\$435,207	\$-	\$-	\$-	\$8,522,110
-	2,663	1,158	-	-	-	390,243
\$-	\$460.14	\$397.12	\$-	\$-	\$-	

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
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
Hopemead Fund						
Book Value at June 30, 2013	\$67,452	\$-	\$120,032	\$2,008,037	\$-	\$-
Market Value at June 30, 2013	\$67,047	\$-	\$490,950	\$2,082,206	\$-	\$-
Shares Purchased	37,675	-	-	98,300	-	-
Shares Redeemed	(4,848)	-	(77,736)	(4,905)	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(19)	-	60,269	255	-	-
Net Investment Income Earned	452	-	2,244	17,056	-	-
Net Investment Income Distributed	(452)	-	(2,244)	(17,056)	-	-
Changes in Market Value of Fund Shares	20	-	49,895	79,854	-	-
Market Value at June 30, 2014	\$99,875	\$-	\$523,378	\$2,255,710	\$-	\$-
Book Value at June 30, 2014	\$100,260	\$-	\$102,565	\$2,101,687	\$-	\$-
Shares Outstanding	100,017	-	368	18,400	-	-
Market Value per Share	\$1.00	\$-	\$1,420.60	\$122.59	\$-	\$-
Police & Fireman's Survivors' Benefit Fund						
Book Value at June 30, 2013	\$1,126,466	\$-	\$6,467,744	\$8,140,446	\$370,407	\$972,808
Market Value at June 30, 2013	\$1,122,056	\$-	\$9,919,487	\$8,509,774	\$493,147	\$1,310,686
Shares Purchased	395,116	2,310,426	-	149,408	553,304	514,014
Shares Redeemed	(686,989)	(88,609)	(6,474,614)	(6,840,565)	-	(35,806)
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(2,443)	4,238	2,470,134	286,175	-	8,354
Net Investment Income Earned	3,933	-	45,323	69,705	2,501	-
Net Investment Income Distributed	(3,933)	-	(45,323)	(69,705)	(2,501)	-
Changes in Market Value of Fund Shares	2,578	121,589	(1,201,705)	(231,760)	33,787	118,178
Market Value at June 30, 2014	\$830,318	\$2,347,644	\$4,713,302	\$1,873,032	\$1,080,238	\$1,915,426
Book Value at June 30, 2014	\$832,150	\$2,226,055	\$2,463,264	\$1,735,464	\$923,711	\$1,459,370
Shares Outstanding	831,503	2,073,651	3,318	15,278	6,926	11,753
Market Value per Share	\$1.00	\$1.13	\$1,420.60	\$122.59	\$155.97	\$162.98
OPEB Fund						
Book Value at June 30, 2013	\$55,881,031	\$-	\$13,600,000	\$10,880,000	\$906,000	\$2,720,000
Market Value at June 30, 2013	\$55,480,788	\$-	\$14,474,529	\$10,495,959	\$844,632	\$2,519,897
Shares Purchased	45,827,407	13,030,320	9,745,140	24,047,281	2,191,713	1,936,650
Shares Redeemed	(96,081,739)	-	-	-	-	-
Returns of Capital	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	(389,127)	-	-	-	-	-
Net Investment Income Earned	62,587	-	66,135	85,973	4,284	-
Net Investment Income Distributed	(62,587)	-	(66,135)	(85,973)	(4,284)	-
Changes in Market Value of Fund Shares	403,008	589,327	4,660,270	1,109,455	90,666	292,028
Market Value at June 30, 2014	\$5,240,337	\$13,619,647	\$28,879,939	\$35,652,695	\$3,127,011	\$4,748,575
Book Value at June 30, 2014	\$5,237,572	\$13,030,320	\$23,345,140	\$34,927,281	\$3,097,713	\$4,656,650
Shares Outstanding	5,247,815	12,030,095	20,329	290,818	20,049	29,137
Market Value per Share	\$1.00	\$1.13	\$1,420.60	\$122.59	\$155.97	\$162.98

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (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	TOTAL
\$-	\$307,620	\$124,206	\$-	\$-	\$-	\$2,627,347
\$-	\$339,651	\$117,431	\$-	\$-	\$-	\$3,097,285
-	1,890	21,423	-	-	-	159,288
-	(35,925)	(12,203)	-	-	-	(135,617)
-	-	-	-	-	-	-
-	7,098	291	-	-	-	67,894
-	3,088	835	-	-	-	23,675
-	(3,088)	(835)	-	-	-	(23,675)
-	63,645	14,232	-	-	-	207,646
\$-	\$376,359	\$141,174	\$-	\$-	\$-	\$3,396,496
\$-	\$280,683	\$133,717	\$-	\$-	\$-	\$2,718,912
-	818	355	-	-	-	119,959
\$-	\$460.14	\$397.12	\$-	\$-	\$-	
\$1,140,668	\$-	\$-	\$1,628,966	\$153	\$-	\$19,847,658
\$1,267,966	\$-	\$-	\$1,352,636	\$62	\$-	\$23,975,814
1,716,492	3,690,962	2,173,450	417,544	-	2,759,546	14,680,262
(51,372)	(204,287)	(139,316)	(42,177)	(8)	(158,461)	(14,722,204)
-	-	-	-	-	-	-
5,499	19,334	8,832	(3,622)	(8)	13,591	2,810,084
8,530	4,396	6,093	27,075	-	-	167,556
(8,530)	(4,396)	(6,093)	(27,075)	-	-	(167,556)
299,011	572,361	200,146	148,218	13	378,905	441,321
\$3,237,596	\$4,078,370	\$2,243,112	\$1,872,599	\$59	\$2,993,581	\$27,185,277
\$2,811,287	\$3,506,009	\$2,042,966	\$2,000,711	\$137	\$2,614,676	\$22,615,800
23,159	8,863	5,648	47,437	2	54,708	3,082,246
\$139.80	\$460.14	\$397.12	\$39.48	\$33.45	\$54.72	
\$4,530,000	\$9,520,000	\$3,170,000	\$-	\$-	\$-	\$101,207,031
\$4,466,098	\$9,603,184	\$2,846,909	\$-	\$-	\$-	\$100,731,996
7,037,543	9,407,572	3,070,159	13,046,458	-	12,601,238	141,941,481
-	-	-	-	-	-	(96,081,739)
-	-	-	-	-	-	-
-	-	-	-	-	-	(389,127)
51,505	87,346	20,247	-	-	-	378,077
(51,505)	(87,346)	(20,247)	-	-	-	(378,077)
1,001,342	3,025,371	567,336	894,842	-	1,585,680	14,219,325
\$12,504,983	\$22,036,127	\$6,484,404	\$13,941,300	\$-	\$14,186,918	\$160,421,936
\$11,567,543	\$18,927,572	\$6,240,159	\$13,046,458	\$-	\$12,601,238	\$146,677,646
89,450	47,890	16,329	353,162	-	259,268	18,404,340
\$139.80	\$460.14	\$397.12	\$39.48	\$-	\$54.72	

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
SUMMARY OF OPERATIONS (Dollars in Thousands)
FISCAL YEARS ENDED JUNE 30**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Investment Income ⁽¹⁾	\$1,030,395	\$954,708	\$888,007	\$1,010,079	\$762,800	\$803,203	\$1,171,356	\$972,879	\$889,710	\$828,019
Expenses ⁽²⁾	87,227	82,759	83,105	86,671	79,950	62,802	82,403	56,738	69,712	64,509
Net Investment Income	943,168	871,949	804,902	923,408	682,850	740,401	1,088,953	916,141	819,998	763,510
Realized Gains/(Losses)	613,827	1,280,009	(11,795)	825,681	214,425	(2,815,892)	654,172	1,524,107	886,031	698,664
Change in Unrealized Gains/(Losses)	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	591,155
Total	\$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	\$2,053,329

(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, 2014**

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	\$843,881	5.20%	\$285,114	2.72%	\$59,339	2.75%	\$2,262	2.51%	\$5,152	2.74%	\$20	1.36%	\$8,634	2.90%
AIF	706,999	4.36	441,600	4.22	166,508	7.70	4,351	4.82	14,465	7.70	-	-	15,968	5.36
MEF	3,923,249	24.19	2,684,735	25.64	353,948	16.38	14,800	16.40	30,753	16.38	432	29.33	50,567	16.98
CFIF	1,170,977	7.22	938,381	8.96	170,799	7.90	8,034	8.90	14,839	7.90	331	22.47	111,327	37.39
ILBF	496,329	3.06	456,510	4.36	107,739	4.99	4,505	4.99	9,361	4.99	29	1.97	4,208	1.42
EMDF	857,988	5.29	451,794	4.32	174,662	8.08	7,304	8.09	15,176	8.08	88	5.97	6,665	2.24
HYBD	734,535	4.53	496,929	4.75	301,383	13.94	13,501	14.96	26,184	13.94	145	9.84	15,743	5.29
DMISF	3,535,030	21.79	2,217,763	21.18	303,717	14.05	13,607	15.08	26,388	14.05	322	21.86	38,318	12.87
EMISF	1,495,974	9.22	968,933	9.25	156,602	7.25	6,549	7.26	13,607	7.25	106	7.20	13,306	4.47
REF	810,218	5.00	515,641	4.93	149,414	6.91	6,248	6.92	12,982	6.91	-	-	15,812	5.31
CMF	38	-	28	-	4	-	-	-	-	-	-	-	-	-
PIF	1,644,889	10.14	1,011,925	9.67	217,143	10.05	9,079	10.07	18,866	10.06	-	-	17,180	5.77
Total	\$16,220,107	100.00%	\$10,469,353	100.00%	\$2,161,258	100.00%	\$90,240	100.00%	\$187,773	100.00%	\$1,473	100.00%	\$297,728	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, 2014 ⁽¹⁾

Liquidity Fund ⁽²⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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%
2005	395,948,288	395,948,288	1.84%	2.36%

Mutual Equity Fund

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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%
2005	6,991,797,244	8,284,992,409	38.40%	8.06%

Mutual Fixed Income Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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%
2005	6,567,168,651	6,662,163,634	30.88%	7.70%

Core Fixed Income Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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	-	-	-	-
2005	-	-	-	-

Inflation Linked Bond Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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	-	-	-	-
2005	-	-	-	-

Emerging Market Debt Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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	-	-	-	-
2005	-	-	-	-

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2014 ⁽¹⁾ (Continued)

High Yield Debt Fund ⁽⁶⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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	-	-	-	-
2005	-	-	-	-

International Stock Fund ⁽⁵⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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%
2005	3,587,545,036	4,372,185,115	20.27%	19.23%

Developed Market International Stock Fund ⁽⁵⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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	-	-	-	-
2005	-	-	-	-

Emerging Market International Stock Fund ⁽⁵⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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	-	-	-	-
2005	-	-	-	-

Real Estate Fund ⁽³⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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%
2005	309,798,748	399,727,575	1.85%	27.56%

Commercial Mortgage Fund ⁽³⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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%
2005	19,796,542	20,267,798	0.09%	6.76%

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
INVESTMENT SUMMARY AT JUNE 30, 2014 ⁽¹⁾ (Continued)**

	Private Investment Fund ⁽³⁾				Alternative Investment Fund ⁽⁷⁾			
	Book Value	Market Value	% of Total Fund MV	Rate of Return	Book Value	Market Value	% of Total Fund MV	Rate of Return
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%	-	-	-	-
2005	2,046,726,560	1,437,979,798	6.67%	8.94%	-	-	-	-

	Total Fund ⁽⁴⁾			
	Book Value	Market Value	% of Total Fund MV	Rate of Return
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%
2005	19,918,781,069	21,573,264,617	100.00%	10.46%

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

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2014**

LIQUIDITY FUND

Security Name	Maturity Date	Market Value	%
CITIBANK NA REPO	07/01/2014	\$190,000,000	8.70%
BNP PARIBAS CAT 1 REPO	07/01/2014	152,000,000	6.96%
MORGAN STAN TRI REPO	07/01/2014	87,000,000	3.98%
M L (COR) REPO REPO	07/01/2014	57,079,000	2.61%
FEDERAL HOME LN BK CONS DISC	08/22/2014	50,342,109	2.31%
BNP PARIBAS CAT 1 REPO	07/01/2014	50,000,000	2.29%
POLAND GOVERNMENT BOND	10/25/2016	35,759,644	1.64%
BARCLAYS CP REPO REPO	07/01/2014	33,127,000	1.52%
EUROPEAN INVESTMENT BANK	01/23/2017	27,877,729	1.28%
NEW ZEALAND GOVERNMENT BOND	12/15/2017	25,594,494	1.17%
Top Ten		\$708,779,976	32.46%

Fair Value LF

\$2,183,580,370

ALTERNATIVE INVESTMENT FUND

Security Name	Partnership Type	Market Value	%
PRUDENCE CRANDALL II PRISMA.	Hedge Fund-of-Funds	\$303,671,771	22.49%
PRUDENCE CRANDALL I PERMAL	Hedge Fund-of-Funds	287,647,920	21.31%
PRUDENCE CRANDALL III RCREEK	Hedge Fund-of-Funds	281,484,535	20.85%
PRUDENCE CRANDALL IV K2	Hedge Fund-of-Funds	276,180,759	20.46%
MARATHON EUROPEAN CREDIT OPPOR	Opportunistic	56,199,275	4.16%
ARCLIGHT ENERGY PARTNERS FUND	Real Assets	46,464,819	3.44%
ENERGY FUND XV LP	Real Assets	46,279,576	3.43%
Top Seven		\$1,297,928,655	96.14%

FAIR VALUE AIF

\$1,349,977,450

MUTUAL EQUITY FUND

Security Name	Industry Sector	Market Value	%
APPLE INC	INFORMATION TECHNOLOGY	\$186,641,077	2.65%
EXXON MOBIL CORP	ENERGY	134,422,399	1.91%
MICROSOFT CORP	INFORMATION TECHNOLOGY	111,622,685	1.58%
JOHNSON & JOHNSON	HEALTH CARE	89,269,003	1.26%
WELLS FARGO & CO	FINANCIALS	84,091,059	1.19%
GENERAL ELECTRIC CO	PRODUCER DURABLES	78,872,850	1.12%
JPMORGAN CHASE & CO	FINANCIALS	77,359,863	1.10%
CHEVRON CORP	ENERGY	75,689,104	1.07%
PROCTER & GAMBLE CO	CONSUMER STAPLES	67,858,928	0.96%
VERIZON COMMUNICATIONS	UTILITIES	65,140,313	0.92%
Top Ten		\$970,967,281	13.76%

FAIR VALUE MEF

\$7,055,012,881

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2014 (Continued)**

CORE FIXED INCOME FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
U S TREASURY NOTE	0.500%	06/30/2016	U.S. Govt/Agency	\$53,946,354	2.10%
FNMA TBA	4.500%	07/01/2044	U.S. Govt/Agency	46,242,819	1.80%
U S TREASURY BOND	3.375%	05/15/2044	U.S. Govt/Agency	26,995,197	1.05%
GNMA TBA	3.000%	07/15/2044	U.S. Govt/Agency	24,079,250	0.94%
U S TREASURY NOTE	0.875%	06/15/2017	U.S. Govt/Agency	21,783,492	0.84%
U S TREASURY NOTE	1.625%	06/30/2019	U.S. Govt/Agency	20,965,000	0.81%
GNMA II POOL #0MA1996	4.000%	06/20/2044	U.S. Govt/Agency	18,223,660	0.71%
US TREAS-CPI INFLAT	0.125%	04/15/2019	U.S. Govt/Agency	18,000,154	0.70%
U S TREASURY NOTE	1.750%	05/15/2022	U.S. Govt/Agency	17,586,337	0.68%
FNMA TBA	3.500%	07/01/2044	U.S. Govt/Agency	17,087,708	0.66%
Top Ten				\$264,909,971	10.29%

FAIR VALUE CFIF

\$2,573,846,130

INFLATION LINKED BOND FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
US TREASURY NOTES	1.250%	7/15/2020	U.S. Govt/Agency	\$133,073,498	12.37%
US TREASURY NOTES	1.875	7/15/2019	U.S. Govt/Agency	114,987,757	10.69%
US TREASURY NOTES	0.125	1/15/2022	U.S. Govt/Agency	101,895,602	9.48%
US TREASURY NOTES	0.125	1/15/2023	U.S. Govt/Agency	95,634,160	8.89%
US TREASURY NOTES	2.375	1/15/2025	U.S. Govt/Agency	84,676,618	7.87%
US TREASURY NOTES	2.500	7/15/2016	U.S. Govt/Agency	83,001,902	7.72%
US TREASURY NOTES	1.875	7/15/2015	U.S. Govt/Agency	72,025,754	6.70%
US TREASURY NOTES	2.000	1/15/2026	U.S. Govt/Agency	61,665,439	5.73%
US TREASURY NOTES	3.875	4/15/2029	U.S. Govt/Agency	60,382,034	5.62%
US TREASURY NOTES	2.125	2/15/2040	U.S. Govt/Agency	57,662,288	5.36%
Top Ten				\$865,005,052	80.43%

FAIR VALUE ILBF

\$1,075,489,795

EMERGING MARKET DEBT FUND

Security Name	Coupon	Maturity	Market Value	%
VENEZUELA GOVERNMENT BOND	7.750%	10/13/2019	\$12,815,667	0.85%
INDONESIA TREASURY BOND	7.000%	05/15/2022	9,996,822	0.67%
LETRA TESOURO NACIONAL	0.000%	01/01/2017	8,977,460	0.60%
RUSSIAN GOVERNMENT BOND	7.500%	03/31/2030	8,638,377	0.57%
INDONESIA GOVERNMENT	9.000%	03/15/2029	8,632,972	0.57%
POLAND GOVERNMENT BOND	0.000%	01/25/2016	8,403,258	0.56%
VENEZUELA GOVERNMENT BOND	5.750%	02/26/2016	7,959,062	0.53%
ARGENTINA GOVERNMENT BOND	7.000%	04/17/2017	7,912,970	0.53%
MEXICAN BONDS	8.500%	12/13/2018	7,335,708	0.49%
LETRA TESOURO NACIONAL	0.000%	01/01/2016	7,155,616	0.48%
Top Ten			\$87,827,912	5.85%

FAIR VALUE EMDF

\$1,500,069,627

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2014 (Continued)**

HIGH YIELD DEBT FUND

Security Name	Coupon	Maturity	Market Value	%
U.S. TREASURY NTS	0.375%	03/31/2016	\$28,805,472	1.81%
SEADRILL PARTNERS 2/14 TL	0.000%	02/21/2021	12,104,282	0.76%
VERTEX PHARMACEUTICALS INC	0.000%	Common Stock	11,796,465	0.74%
SPRINT CAPITAL CORP	6.875%	11/15/2028	10,726,200	0.67%
MORGAN STANLEY	4.750%	11/16/2018	9,635,415	0.60%
REPUBLIC OF INDONESIA 144A	5.875%	01/15/2024	9,492,250	0.60%
CCO HOLDINGS LLC	5.750%	01/15/2024	9,233,175	0.58%
VISANT CORP	10.000%	10/01/2017	8,390,635	0.53%
QWEST CAPITAL FUNDING	6.875%	07/15/2028	7,546,050	0.47%
TENET HEALTHCARE CORP	6.875%	11/15/2031	7,342,358	0.46%
Top Ten			\$115,072,302	7.22%

FAIR VALUE HYDF

\$1,592,980,848

DEVELOPED MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
NESTLE SA REG	SWITZERLAND	\$80,402,318	1.32%
ROCHE HOLDING AG GENUSSCHEIN	SWITZERLAND	71,225,901	1.17%
HSBC HOLDINGS PLC	UNITED KINGDOM	68,280,323	1.12%
BAYER AG REG	GERMANY	66,346,006	1.09%
TOTAL SA	FRANCE	61,747,268	1.01%
BP PLC	UNITED KINGDOM	50,395,165	0.83%
NOVARTIS AG REG	SWITZERLAND	49,506,200	0.81%
ROYAL DUTCH SHELL PLC A SHS	NETHERLANDS	47,257,684	0.77%
ASTRAZENECA ORD USD 0.25	UNITED KINGDOM	43,514,571	0.71%
COMMONWEALTH BANK OF AUSTRALIA	AUSTRALIA	40,832,595	0.67%
Top Ten		\$579,508,031	9.50%

FAIR VALUE DMISF

\$6,101,761,491

EMERGING MARKET INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
Samsung Electronic Co LTD	Republic of Korea	\$85,122,565	3.22%
TAIWAN SEMICONDUCTOR MANUFACTURE	Taiwan	72,938,167	2.76%
China Mobile LTD	HONG KONG	64,027,735	2.42%
CHINA CONSTRUCTION BANK CORP	CHINA	59,328,611	2.24%
GAZPROM OAO SPON ADR	RUSSIAN FEDERATION	47,112,358	1.78%
TENCENT HLDGS LIMH HKD 0.00002	CHINA	44,364,938	1.68%
AIA GROUP LTD	HONG KONG	38,531,118	1.46%
Lukoil OAO-SPON ADR	RUSSIAN FEDERATION	38,529,430	1.45%
Samsung Electronics Co LTD 144A	Republic of Korea	38,282,470	1.45%
Industrial & Commercial Bank	CHINA	36,772,988	1.39%
Top Ten		\$525,010,380	19.85%

FAIR VALUE EMISF

\$2,645,431,257

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS
TOP TEN HOLDINGS* BY FUND AT JUNE 30, 2014 (Continued)**

REAL ESTATE FUND

Partnership Name	Partnership Type	Market Value	%
PRIME PROPERTY FUND LLC	Core	\$239,822,285	15.88%
CORNERSTONE PATRIOT FUND LP	Core	166,808,144	11.05%
HART REALTY ADVISORS	Core	151,568,816	10.04%
BLACKSTONE REAL ESTATE VI LP	Opportunistic	143,436,296	9.50%
USAA EAGLE RE FUND	Core	65,406,641	4.33%
AMERICAN REALTY ADVISORS	Core	51,582,990	3.42%
BLACKSTONE REAL ESTATE PARTNER EUROPE III LP	Opportunistic	49,536,399	3.28%
STARWOOD OPPORTUNITY FUND VIII	Opportunistic	47,710,287	3.16%
LONE STAR REAL ESTATE FUND II LP	Opportunistic	41,992,098	2.78%
IL + FS INDIA REALTY FUND II LLC	Opportunistic	41,481,391	2.75%
Top Ten		\$999,345,347	66.19%

FAIR VALUE REF

\$1,509,757,272

COMMERCIAL MORTGAGE FUND

Property Name	Location	Property Type	Market Value	%
Yankee Mac Series G 0.00%	Various	Residential	\$21,898	32.39%
Yankee Mac Series F 0.00%	Various	Residential	4,067	6.01%
Top Two			\$25,965	38.40%

FAIR VALUE CMF

\$67,609

PRIVATE INVESTMENT FUND

Partnership Name	Partnership Type	Market Value	%
FAIRVIEW CONSTITUTION III LIMITED PARTNERSHIP	Fund of Funds	\$307,175,975	10.52%
FAIRVIEW CONSTITUTION II LP	Fund of Funds	169,331,457	5.80%
STEPSTONE PIONEER CAPITAL II L	Fund of Funds	150,217,036	5.15%
YUPAICA AMERICAN ALLIANCE FUND II LP	Buyout	105,005,246	3.60%
KKR 2006 FUND	Buyout	100,331,407	3.44%
THOMAS H LEE EQUITY FUND VI LP	Buyout	97,765,354	3.35%
WELSH,CARSON,ANDERSON + STOWE XI	Buyout	88,332,906	3.02%
FS EQUITY PARTNERS VI	Buyout	82,799,767	2.84%
WELSH,CARSON,ANDERSON + STOWE X LP	Buyout	73,386,525	2.51%
VISTA EQUITY PARTNERS FUND IV	Buyout	72,730,306	2.49%
Top Ten		\$1,247,075,979	42.72%

FAIR VALUE PIF

\$2,918,978,182

* 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, 2014**

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2014	Status at June 30, 2014
INVESTMENT ADVISORY SERVICES				
Domestic Equity Investment Advisory Services				
Bivium Capital Partners, LLC	Equity Advisor	Jul-05	\$2,516,721	Active
Capital Prospects, LLC	Equity Advisor	Jul-05	1,394,404	Active
FIS Group Inc.	Equity Advisor	Jul-05	1,235,726	Active
Frontier Capital Management Co., LLC	Equity Advisor	Oct-10	2,503,435	Active
State Street Global Advisors	Equity Advisor	Mar-96	277,284	Active
T. Rowe Price Associates	Equity Advisor	Nov-08	4,159,025	Active
Total Domestic Equity Advisor Compensation			\$12,086,595	
Core Fixed Income Investment Advisory Services				
Blackrock Financial Management	Core Income Advisor	Mar-96	\$883,078	Active
Goodwin Capital Advisors (Phoenix)	Core Income Advisor	Nov-97	541,242	Active
Progress Investment Management	Core Income Advisor	Jul-05	884,470	Active
State Street Global Advisors	Core Income Advisor	Mar-96	112,242	Active
Wellington Asset Management	Core Income Advisor	Nov-97	690,810	Active
Total Core Fixed Income Advisor Compensation			\$3,111,842	
Inflation Linked Bond Investment Advisory Services				
Hartford Investment Management Co.	Inflation Income Advisor	May-05	\$305,547	Active
Brown Brother Harriman & Co	Inflation Income Advisor	May-05	544,511	Active
Total Inflation Linked Bond Advisor Compensation			\$850,058	
Emerging Market Debt Investment Advisory Services				
Blackrock Institutional Trust Co.	Transition Manager	May-96	\$56,855	Active
ING Investment Management Co.	Emerging Market Income Advisor	May-09	268,795	Active
Pyramis Global Advisors	Emerging Market Income Advisor	Oct-07	879,258	Active
Stone Harbor Investment Partners	Emerging Market Income Advisor	Oct-07	3,163,978	Active
UBS Global Asset Management Co.	Emerging Market Income Advisor	Oct-07	1,090,999	Active
Total Emerging Market Debt Advisor Compensation			\$5,459,885	
High Yield Debt Advisory Services				
Loomis Sayles & Co., Inc.	High Yield Income Advisor	Mar-96	\$988,610	Active
Oaktree Capital Management	High Yield Income Advisor	Mar-96	1,374,108	Active
Shenkman Capital Management	High Yield Income Advisor	Dec-07	1,119,296	Active
Stone Harbor Investment Partners	High Yield Income Advisor	Oct-07	949,575	Active
Total High Yield Debt Advisor Compensation			\$4,431,589	
Liquidity Fund Advisory Services				
Ambassador Capital Management	Cash Reserve Account Advisor	May-09	\$278,995	Active
Pacific Investment Management	Cash Reserve Account Advisor	Mar-09	405,103	Active
Payden & Rygel	Cash Reserve Account Advisor	Mar-09	212,808	Active
Colchester Global Investors	Cash Reserve Account Advisor	May-09	732,857	Active
Lazard Asset Management	Cash Reserve Account Advisor	Aug-09	3,168,731	Active
State Street Global Advisors	Cash Reserve Account Advisor	Mar-96	239,185	Active
Total Liquidity Fund Advisor Compensation			\$5,037,679	
Developed Market International Equity Investment Advisory Services				
Acadian Asset Management	International Equity Advisor	Sep-06	\$2,000,815	Active
AQR Capital Management, LLC	International Equity Advisor	Sep-06	3,241,015	Active
Dimensional Fund Advisors	International Equity Advisor	Mar-09	1,790,174	Active
Grantham, Mayo, Van Otterloo & Co	International Equity Advisor	Mar-96	2,516,179	Active
MFS Institutional Advisors	International Equity Advisor	Aug-03	2,401,538	Active
Pareto Partners\Bank of New York	International Equity Advisor	Feb-04	2,729,445	Active
Progress Investment Management	International Equity Advisor	Jul-05	805,075	Active
Schroder Investment Management	International Equity Advisor	Sep-06	1,652,004	Active

PENSION FUNDS MANAGEMENT DIVISION

**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 ⁽¹⁾ (Continued)
FISCAL YEAR ENDED JUNE 30, 2014**

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2014	Status at June 30, 2014
State Street Global Advisors	International Equity Advisor	Mar-96	1,036,286	Active
William Blair & Company	International Equity Advisor	Mar-09	2,694,182	Active
Total Developed Market International Equity Advisor Compensation			\$20,866,713	
Emerging Market International Equity Advisory Services				
Aberdeen Asset Management	International Equity Advisor	Jul-09	\$3,845,010	Active
Ashmore Emerging Markets Management LLC	International Equity Advisor	Aug-03	635,018	Active
Grantham, Mayo, Van Otterloo & Co	International Equity Advisor	Mar-96	5,787,770	Active
Schroder Investment Management	International Equity Advisor	Jan-10	5,227,618	Active
Total Emerging Market International Equity Advisor Compensation			\$15,495,416	
Alternative Investment Advisory Services				
ArcLight Energy Partner Fund V	Alternative Investment Advisor	Oct-11	\$723,344	Active
Total Alternative Advisor Compensation			\$723,344	
Real Estate Investment Advisory Services ⁽²⁾				
American Realty Advisors	Real Estate Advisor	Mar-12	\$240,685	Active
Blackstone Real Estate Partners VI	Real Estate Advisor	Aug-07	1,173,852	Active
Blackstone Real Estate Partners Europe III	Real Estate Advisor	Nov-08	654,338	Active
Blackstone Real Estate Special Situations Fund II	Real Estate Advisor	Sep-09	574,361	Active
Canyon Johnson Urban Fund III LP	Real Estate Advisor	Feb-08	608,590	Active
Cornerstone Patriot Fund LP	Real Estate Advisor	Dec-07	881,306	Active
Cypress Realty Fund LP	Real Estate Advisor	May-13	573,424	Active
Gerding Elden Fund Management LP	Real Estate Advisor	May-14	725,548	Active
Hart Realty Advisors, Inc. (CORE)	Real Estate Advisor	Nov-11	947,345	Active
Rockwood Capital Partners Fund VII	Real Estate Advisor	Jun-06	23,469	Active
Total Real Estate Advisor Compensation			\$6,402,918	
Private Investment Advisory Services ⁽²⁾				
Altaris Health Partners, LP	Private Investment Advisor	Sep-04	\$297,539	Active
Altaris Healthcare Partners II, LP	Private Investment Advisor	Oct-07	426,671	Active
Altaris Healthcare Partners III, LP	Private Investment Advisor	Oct-07	187,438	Active
Apollo Advisors VIII, LP	Private Investment Advisor	Nov-13	1,255,435	Active
Audax Mezzanine Fund III, LP	Private Investment Advisor	May-10	429,352	Active
Clearlake Capital Partners, LP	Private Investment Advisor	Nov-12	262,189	Active
Court Square Capital Partners III, LP	Private Investment Advisor	May-13	323,776	Active
Constitution Liquidating Fund, LP	Private Investment Advisor	Jul-87	178,022	Active
CT Horizon Legacy Fund, LP	Private Investment Advisor	Jun-08	50,000	Active
Ethos Capital Fund V, LP	Private Investment Advisor	Aug-06	489,108	Active
Fairview Constitution II, LP	Private Investment Advisor	May-05	700,000	Active
Fairview Constitution III, LP	Private Investment Advisor	Jun-07	1,950,000	Active
Fairview Constitution IV, LP	Private Investment Advisor	Dec-11	1,200,000	Active
FS Equity Partners V, LP	Private Investment Advisor	Mar-04	69,592	Active
FS Equity Partners VI, LP	Private Investment Advisor	Mar-04	1,125,000	Active
Garmark Partners II LP	Private Investment Advisor	Jun-95	829,234	Active
GCM Grosvenor-CT/Cleantech Opp. Fund LP	Private Investment Advisor	Jul-07	143,070	Active
GenNx360 II LP	Private Investment Advisor	Mar-14	1,164,613	Active
Goldman Sachs & Co LP	Private Investment Advisor	May-97	16,208	Active
JFL Investors III, LP	Private Investment Advisor	Aug-11	681,529	Active
KKR 1996 Fund LP	Private Investment Advisor	May-07	6,111	Active
KKR 2006 Fund LP	Private Investment Advisor	May-07	411,425	Active
Leeds Equity Associates V, LP	Private Investment Advisor	Apr-09	240,716	Active
Levine Leichtman Capital Partners IV, LP	Private Investment Advisor	Jul-08	711,376	Active
Levine Leichtman Capital Partners V, LP	Private Investment Advisor	Aug-12	1,528,336	Active
M2 CT Emerging Private Equity Fund-of-Funds, LP	Private Investment Advisor	Nov-07	777,514	Active
Nogales Investors II, LP	Private Investment Advisor	Oct-06	183,759	Active
Nutmeg Opportunities Fund, LP	Private Investment Advisor	Oct-09	385,249	Active
Pegasus Investors IV, LP	Private Investment Advisor	Aug-07	801,045	Active
Pegasus Investors V, LP	Private Investment Advisor	May-12	845,016	Active
RFE Associates VII, LP	Private Investment Advisor	Feb-08	201,644	Active

PENSION FUNDS MANAGEMENT DIVISION

**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 ⁽¹⁾ (Continued)
FISCAL YEAR ENDED JUNE 30, 2014**

Name of Firm	Description of Services	Contract Date	Aggregate Comp. Paid in FY 2014	Status at June 30, 2014
RFE Associates VIII, LP	Private Investment Advisor	Apr-12	800,000	Active
Syncom Partners V, LP	Private Investment Advisor	Apr-06	267,585	Active
Vista Equity Partners III, LP	Private Investment Advisor	Apr-08	378,300	Active
Vista Equity Partners IV, LP	Private Investment Advisor	May-12	601,380	Active
Wellspring Capital Partners V, LP	Private Investment Advisor	Oct-10	1,153,261	Active
Yucaipa American Alliance Fund II, LP	Private Investment Advisor	Jul-08	1,216,979	Active
Total Private Equity Advisor Compensation			\$22,288,472	
Custodian Advisory Services				
Bank of New York Mellon	Custody Investment Advisor	Oct-13	\$621,250	Active
State Street Bank & Trust Company	Custody Investment Advisor	Mar-96	4,677,364	Terminated
Total Custodian Advisor Compensation			\$5,298,614	
TOTAL COMPENSATION TO INVESTMENT ADVISORS			\$102,053,125	
CONSULTING SERVICES				
Callan Associates, Inc.	Consultant –CIF Master Custodian	Nov-11	\$85,000	Active
Cliffwater Associates LLC	Consultant -AIF Investment	Jun-13	485,000	Active
Franklin Park Associates LLC	Consultant -Private Investment	Jul-04	1,051,606	Active
Hewitt EnnisKnupp Inc.	Consultant -CIF	Aug-11	472,000	Active
Hudepohl & Associates, Inc.	Consultant -Pension Funds	Jul-12	102,226	Active
New England Pension Consultants (NEPC)	Consultant -Pension Funds	Jun-08	86,941	Terminated
The Townsend Group, Inc.	Consultant -Pension Funds	Mar-08	250,000	Active
TOTAL CONSULTING SERVICES COMPENSATION			\$2,532,773	
MISCELLANEOUS SERVICES				
Anderson, Kill & Olick	Legal Services	Dec-11	\$39,678	Active
Baker & Botts	Legal Services	Sep-10	42,240	Active
Day Pitney	Legal Services	Jun-03	255,598	Active
Derosa Research & Training, Inc	Legal Services	Sep-12	85,110	Active
Edwards, Wildman, & Palmer	Legal Services	Mar-12	102,476	Active
McCarter & English	Legal Services	Sep-08	29,343	Active
McElroy, Dustch, Mulvany & Carpenter	Legal Services	Apr-12	35,418	Active
Nixon & Peabody	Legal Services	Dec-12	34,953	Active
Reinhart Boerner Van Deuren	Legal Services	Dec-07	72,554	Active
Robinson & Cole	Legal Services	Dec-07	11,996	Active
A & A Office Systems	Photocopier Lease	N/A	6,788	Active
Bloomberg Financial LP	Subscription	N/A	33,170	Active
Institutional Shareholder Services	Proxy Voting	Nov-99	72,865	Active
JP Morgan Chase Bank	PC Card Purchases	N/A	10,554	Active
Murphy Security Services	Security Services	N/A	11,761	Active
TOTAL MISCELLANEOUS SERVICES COMPENSATION			\$844,504	
GRAND TOTAL			\$105,430,402	

(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, 2014

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
LIQUIDITY (LF)			
State Street Global Advisors	Active	\$ 939,898,360	42.95%
Payden & Rygel	Active	170,012,475	7.77%
PIMCO	Active	203,590,013	9.31%
Ambassador Capital Management	Active	229,715,025	10.50%
Lazard	Active	319,721,594	14.61%
Colchester Global Investors Ltd.	Active	325,239,558	14.86%
SUBTOTAL LF		\$ 2,188,177,025	100.00%
MUTUAL EQUITY FUND (MEF)			
Large Cap		\$ 5,955,133,413	84.37%
T. Rowe Price Associates	Enhanced - Index	1,676,148,073	23.75%
State Street Global Advisors	Passive - Indexed	4,278,985,340	60.62%
All Cap		516,797,772	7.32%
Capital Prospects	Active	262,718,023	3.72%
FIS Group, Inc.	Active	254,079,749	3.60%
Small/Mid Cap		578,645,411	8.20%
Frontier Capital Mgmt Co	Active	316,585,465	4.49%
Bivium	Active	262,059,946	3.71%
Other ⁽¹⁾		7,907,118	0.11%
SUBTOTAL MEF		\$ 7,058,483,714	100.00%
CORE FIXED INCOME FUND (CFIF)			
State Street Global Advisors	Passive	\$ 233,719,175	9.68%
BlackRock Financial Management, Inc.	Active	555,198,700	22.99%
Wellington	Active	595,749,553	24.67%
Conning-Goodwin Capital	Active	343,752,001	14.24%
Progress	Active	108,911,047	4.51%
Prudence Crandall Fund III Opportunistic	Active	277,577,178	11.49%
Prudence Crandall Fund IV Opportunistic	Active	277,625,214	11.50%
Other ⁽¹⁾		22,154,951	0.92%
SUBTOTAL CFIF		\$ 2,414,687,819	100.00%
INFLATION LINKED BOND FUND (ILBF)			
Brown Brothers Harriman	Active	\$ 871,718,406	80.81%
Hartford Investment Mgmt Co.	Active	172,713,516	16.01%
Other ⁽¹⁾		34,248,983	3.18%
SUBTOTAL ILBF		\$ 1,078,680,905	100.00%
EMERGING MARKET DEBT FUND (EMDF)			
Ashmore	Active	\$ 569,945,751	37.65%
Stone Harbor Investment Partners	Active	563,092,945	37.20%
Pyramis	Active	181,604,636	12.00%
UBS Global Asset Management	Active	190,901,748	12.61%
Other ⁽¹⁾		8,131,900	0.54%
SUBTOTAL EMDF		\$ 1,513,676,980	100.00%
HIGH YIELD DEBT FUND (HYDF)			
Loomis Sayles & Co., Inc.	Active	\$ 615,923,157	38.78%
Stone Harbor Investment Partners	Active	307,448,560	19.36%
Shenkman Capital Management	Active	317,731,457	20.00%
Oaktree Capital Management, L.L.C.	Active	300,193,665	18.90%
Carlyle GMS Finance, Inc.	Active	17,573,830	1.10%
Carlyle NF Investment Corp.	Active	12,348,572	0.78%
Other ⁽¹⁾		17,200,679	1.08%
SUBTOTAL HYDF		\$ 1,588,419,920	100.00%

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)

JUNE 30, 2014

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
DEVELOPED MARKET INTERNATIONAL STOCK FUND (DMISF)			
Index		\$ 2,288,713,323	37.31%
State Street Global Advisors	Index-Passive	2,288,713,323	37.31%
Core		1,617,551,941	26.37%
AQR Capital Management	Active	859,232,583	14.01%
Acadian Asset Management	Active	618,494,466	10.08%
Progress	Active	139,824,892	2.28%
Active-Growth		826,031,206	13.46%
MFS Institutional Advisors, Inc.	Active	826,031,206	13.46%
Active-Value		517,423,907	8.43%
Grantham, Mayo, Van Otterloo	Active	517,423,907	8.43%
Small Cap		867,728,539	14.14%
Schroder Investment Mgmt.	Active	298,208,419	4.86%
Dimensional Fund Advisors	Active	276,379,926	4.50%
William Blair & Company	Active	293,140,194	4.78%
Other⁽¹⁾		17,695,825	0.29%
SUBTOTAL DMISF		\$ 6,135,144,741	100.00%
EMERGING MARKET INTERNATIONAL STOCK FUND (EMISF)			
Aberdeen Asset Management	Active	\$ 708,986,279	26.70%
Schroders Investment Mgt	Active	941,078,746	35.45%
Grantham, Mayo, Van Otterloo	Active	970,214,988	36.54%
Other⁽¹⁾		34,796,791	1.31%
SUBTOTAL EMISF		\$ 2,655,076,804	100.00%
REAL ESTATE FUND (REF)			
AEW Partners III	Active	\$ 8,289,852	0.55%
American Realty Advisors	Active	51,582,990	3.41%
Apollo Real Estate	Active	2,080,223	0.14%
Blackstone Real Estate Partner Europe III LP	Active	49,536,399	3.28%
Blackstone Real Estate Spec Sit II LP	Active	29,700,864	1.97%
Blackstone Real Estate VI LP	Active	143,436,296	9.50%
Canyon Johnson Urban Fund II	Active	14,942,833	0.99%
Canyon Johnson Urban Fund III	Active	33,452,758	2.21%
Capri Select Income II LLC	Active	5,726,521	0.38%
Colony Realty Partners II LP	Active	18,893,700	1.25%
Cornerstone Patriot Fund LP	Active	166,808,144	11.04%
Covenant Apartment Fund V LP	Active	14,599,610	0.97%
Covenant Apartment Fund VI	Active	14,517,312	0.96%
Cypress Acquisition Prtnrs Retail FD LP	Active	11,643,532	0.77%
Gerding Edlen Green Cities II	Active	15,939,824	1.05%
Hart Realty Advisors	Active	151,568,816	10.04%
IL & FS India Realty Fund II LLC	Active	41,481,391	2.75%
Lone Star Real Estate Part II LP	Active	41,992,098	2.78%
Macfarlane Urban Real Estate Fund II LP	Active	16,533,765	1.09%
New Boston IV	Active	836,324	0.05%
Prime Property Fund LLC	Active	239,822,285	15.88%
Rockwood Capital Fund V	Active	1,907,350	0.13%
Rockwood Capital VI Limited Partnership	Active	9,872,714	0.65%
Rockwood Capital VII Limited Partnership	Active	22,126,628	1.46%
Starwood Opportunity Fund VII	Active	36,503,093	2.42%
Starwood Opportunity Fund VIII	Active	47,710,287	3.16%
Starwood Opportunity Fund IX	Active	39,117,706	2.59%
UBS-Trumbull Property Income	Active	25,000,000	1.66%
UBS-Trumbull Property G&I (TPG)	Active	10,000,000	0.66%
Urban Strategy America Fund LP	Active	41,208,493	2.73%
USAA Eagle RE Fund	Active	65,406,641	4.33%

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)

JUNE 30, 2014

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
Walton Street Real Estate	Active	23,209,892	1.54%
WLR IV PPIP Co Invest LP	Active	33,620,725	2.23%
Other ⁽³⁾	Active	81,246,134	5.38%
SUBTOTAL REF		\$ 1,510,315,200	100.00%
COMMERCIAL MORTGAGE FUND (CMF)			
YANKEE MAC CMO SERIES F-G	Active	\$48,072	68.21%
Other ⁽²⁾		22,406	31.79%
SUBTOTAL CMF		\$ 70,478	100.00%
PRIVATE INVESTMENT FUND (PIF)			
Buyout		\$ 1,238,520,185	42.43%
KKR Millennium Fund	Active	32,737,168	1.12%
Yucaipa American Alliance Fund II LP	Active	105,005,246	3.60%
Hicks, Muse Tate & Furst Equity Fund III	Active	33,456,607	1.15%
Thomas H. Lee Equity Fund VI	Active	97,765,354	3.35%
GENNX360 Capital Partners II	Active	4,484,067	0.15%
TA XI, L.P.	Active	50,180,348	1.72%
Charterhouse Equity Partners IV	Active	22,914,778	0.78%
DLJ Merchant Banking Fund II	Active	953,909	0.03%
FS Equity Partners V	Active	23,299,799	0.80%
FS Equity Partners VI	Active	82,799,767	2.84%
JFL Equity Investors III, LP	Active	17,711,717	0.61%
Green Equity Investors III	Active	13,840	0.00%
Wellspring Capital Partners V	Active	24,087,921	0.83%
Candover 2008 Fund	Active	11,641,677	0.40%
Leeds Equity Partners V LP	Active	29,177,168	1.00%
Welsh Carson Anderson & Stowe XI	Active	88,332,906	3.03%
AIG Healthcare Partners LP	Active	18,510,538	0.63%
AIG Altaris Health Partners II	Active	41,441,783	1.42%
AIG Altaris Health Partners III	Active	2,982,173	0.10%
Welsh Carson Anderson & Stowe X LP	Active	73,386,525	2.51%
Court Square Capital Partners II	Active	56,125,605	1.92%
Ethos Private Equity Fund V	Active	30,058,284	1.03%
Boston Ventures VII	Active	59,403,758	2.04%
KKR 2006 Fund	Active	100,331,407	3.44%
Nogales Investors Fund II	Active	12,448,560	0.43%
ICV Partners II LP	Active	35,920,853	1.23%
Vista Equity Partners Fund III	Active	33,388,978	1.14%
Vista Equity Partners Fund IV	Active	72,730,306	2.49%
RFE Investments Partners VIII	Active	16,756,567	0.57%
RFE Investment Partners VII	Active	53,382,579	1.83%
Court Square Capital Partners III LP	Active	7,089,997	0.24%
Venture Capital		13,469,107	0.46%
Crescendo III	Active	1,156,486	0.04%
Syndicated Communications	Active	12,312,621	0.42%
Mezzanine		69,169,212	2.37%
SW Pelham Fund	Active	998,214	0.03%
Audax Mezzanine III Limited Partnership	Active	34,300,801	1.18%
GarMark Partners II LP	Active	33,870,197	1.16%
International		44,596,977	1.53%
Compass Partners European Equity Fund	Active	856,580	0.03%
Gilbert Global Equity Partners	Active	39,618,652	1.36%
AIG Global Emerging Markets Fund	Active	2,221,015	0.08%
Carlyle Asia Partners	Active	1,900,730	0.06%

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS

LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)

JUNE 30, 2014

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
Fund of Funds		984,328,269	33.72%
The Constitution Liquidating Fund	Active	65,218,079	2.23%
Landmark Private Equity Fund VIII	Active	16,070,570	0.55%
Landmark Equity Partners XV LP	Active	14,872,176	0.51%
CS/CT Cleantech Opp Fund	Active	14,340,631	0.49%
CT Emerging Pvt Equity	Active	63,160,199	2.17%
Fairview Constitution III	Active	307,175,975	10.52%
Goldman Sachs Private Equity Partners Connecticut	Active	127,936	0.00%
Lexington Capital Partners II	Active	896,759	0.03%
Stepstone Pioneer Capital I LP	Active	35,819,701	1.23%
Stepstone Pioneer Capital II LP	Active	150,217,036	5.15%
Fairview Constitution II LP	Active	169,331,457	5.80%
Fairview Constitution IV LP	Active	33,581,696	1.15%
Connecticut Horizon Legacy	Active	8,029,723	0.28%
Landmark Equity Partners XIV LP	Active	67,784,595	2.32%
JP Morgan Nutmeg I	Active	37,701,736	1.29%
Special Situations		298,996,043	10.24%
Weish Carson Anderson & Stowe Capital Partners III	Active	8,080,351	0.28%
Levine Leichtman Capital Partners	Active	52,482,201	1.80%
Levine Leichtman Capital Partners IV LP	Active	8,317,293	0.28%
Pegasus Partners IV	Active	56,673,773	1.94%
Pegasus Partners V	Active	36,666,019	1.26%
WLR Recovery Fund IV	Active	47,689,388	1.63%
KPS Special Situations Fund II	Active	71,444	0.00%
Clearlake Capital Partners III LP	Active	22,136,810	0.76%
Castelake II LP	Active	62,359,263	2.14%
Apollo Investment Fund VIII LP	Active	4,519,501	0.15%
Other ⁽³⁾		270,002,378	9.25%
SUBTOTAL PIF		\$ 2,919,082,171	100.00%
ALTERNATIVE INVESTMENT FUND (AIF)			
Arclight Energy Partners Fund	Active	\$ 46,464,819	3.44%
Energy Fund XV Limited Partnership	Active	46,279,576	3.43%
Marathon European Credit Opportunity	Active	56,199,275	4.16%
Prudence Crandall I Permal Limited Partnership	Active	287,647,920	21.31%
Prudence Crandall II Prisma Limited Partnership	Active	303,671,771	22.50%
Prudence Crandall III Rock Creek Limited Partnership	Active	281,484,535	20.85%
Prudence Crandall IV K2 Limited Partnership	Active	276,180,758	20.46%
Other ⁽³⁾		51,961,898	3.85%
SUBTOTAL AIF		\$ 1,349,890,552	100.00%
TOTAL		\$ 30,411,706,309	
Adjustments ⁽⁴⁾		(983,775,143)	
GRAND TOTAL		\$ 29,427,931,166	

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

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
ABEL NOSER CORP, NEW YORK	\$ 234.90	7,830.00	0.03	BNY CONVERGEX LJR	105.50	6,050.00	0.02
ABG SEC AS (NORGE), FILIAL, STOCKHOLM	3,037.88	150,018.00	0.02	BNY CONVERGEX, NEW YORK	10,848.71	350,112.00	0.03
ABG SECS, OSLO	4,065.83	152,134.00	0.03	BOCI SECURITIES LIMITED	2,843.44	9,462,914.44	0.00
ABG SECURITIES LIMITED	901.54	3,062,869.68	0.00	BOCI SECURITIES LIMITED, HONG KONG	7,878.81	4,134,000.00	0.00
ABG SUNDAL COLLIER NORGE ASA, OSLO	241.27	17,798.00	0.01	BOE SECURITIES/BROADCORT, JERSEY CITY	880.00	27,200.00	0.03
ABN AMRO ASIA LIMITED	771.14	5,546,578.69	0.00	BP2S/G-TRADE SERVICES LLC, PAR, FRANCE	413.86	12,300.00	0.03
ABN AMRO ASIA LTD, HONG KONG	1,000.62	571,200.00	0.00	BRADESCO S.A CTVM	3,561.69	465,597.92	0.01
ABN AMRO CLEARING BANK N.V.	18.61	18,619.80	0.00	BRADESCO S/A CTVM, SAO PAULO	4,328.34	376,400.00	0.01
ACADEMY SECURITIES, INC, NEW YORK	112.00	5,600.00	0.02	BREAN CAPITAL LLC, JERSEY CITY	2,068.07	202,307.00	0.01
AGORA CORDE TITUL E VAL MOB	208.09	12,364.00	0.02	BREAN MURRAY, CARRET & CO, LAKE SUCCESS	217.38	21,738.00	0.01
ALBERT FRIED & COMPANY LLC	477.00	13,500.00	0.04	BREAN MURRAY, CARRET & CO., LLC	314.38	31,438.00	0.01
ALBERT FRIED & COMPANY LLC, NEW YORK	358.00	9,800.00	0.04	BROADCOURT CAP CORP/SUB OF MLPF&S,NY	92.00	2,300.00	0.04
ALLEN & COMPANY LLC	2,267.00	67,500.00	0.03	BT SECURITIES COMPANY LTD, BANGKOK	364.56	992,600.00	0.00
ALLEN & COMPANY LLC, JERSEY CITY	2,128.00	70,100.00	0.03	BTIG LLC, SAN FRANCISCO	3,273.39	245,985.00	0.01
AQUA SECURITIES LP, NEW YORK	7.00	350.00	0.02	BTIG, LLC	1,664.46	63,935.00	0.03
AQUA SECURITIES LP	128.00	6,400.00	0.02	BUCKINGHAM RESEARCH GROUP INC	296.00	7,400.00	0.04
AUERBACH GRAYSON & CO INC, NEW YORK	888.84	835,800.00	0.00	BUCKINGHAM RESEARCH GRP INC, BROOKLYN	4,376.00	109,400.00	0.04
AVIOR RESEARCH PTY LTD	55.90	280,781.23	0.00	BURKE & QUICK PARTNERS LLC, JERSEY CITY	303.30	10,110.00	0.03
AVONDALE PARTNERS LLC	112.00	2,800.00	0.04	CABRERA CAPITAL MARKETS	1,758.40	338,680.00	0.01
AVONDALE PARTNERS LLC, NASHVILLE	435.80	12,045.00	0.04	CABRERA CAPITAL MARKETS INC, JERSEY CITY	99.30	3,310.00	0.03
B.RILEY & CO.,LLC, LOS ANGELES	217.74	6,176.00	0.04	CABRERA CAPITAL MARKETS, CHICAGO	11,716.81	482,666.00	0.02
BAIRD, ROBERT W & CO INC, MILWAUKEE	16,107.87	454,561.00	0.04	CALYON SECURITIES, NEW YORK	4,554.63	109,375.00	0.04
BANCO BTG PACTUAL SA, RIO DE JANEIRO	8,392.26	461,174.00	0.02	CANACCORD GENUITY CORP, MONTREAL (CCAM)	631.22	17,378.00	0.04
BANCO DE INVESTIMENTOS CREDIT	3,469.84	1,914,985.79	0.00	CANACCORD GENUITY INC.NEY YORK	3,942.61	103,981.00	0.04
BANCO DE INVESTIMENTUS GARATIA	4,450.45	118,371.00	0.04	CANACCORD GENUITY LTD, LONDON	1,597.85	123,163.00	0.01
BANCO ITAU S.A.	6,569.75	7,574,628.12	0.00	CANACCORDGENUITY CORP.	467.06	221,700.14	0.00
BANCO ITAU S.A., NEW YORK	2,189.30	103,472.00	0.02	CANACCORDGENUITY INC.	2,419.60	59,865.00	0.04
BANCO ITAU, SAO PAULO	18,867.04	1,402,306.00	0.01	CANACCORDGENUITY LIMITED	689.71	266,630.24	0.00
BANCO PACTUAL S.A.	221.06	252,914.17	0.00	CANTOR CLEARING SERV, NEW YORK	2,302.00	69,400.00	0.03
BANCO SANTANDER (BRASIL) S.A, SAO PAULO	484.30	11,600.00	0.04	CANTOR FITZGERALD & CO INC, NEW YORK	18,042.46	726,710.00	0.02
BANCO SANTANDER BRASIL SA	237.21	548,338.41	0.00	CANTOR FITZGERALD + CO.	6,468.08	917,331.00	0.01
BANCO SANTANDER CENTRAL HISPANO	12,591.51	83,806,572.23	0.00	CANTOR FITZGERALD EUROPE	148.66	1,332,661.70	0.00
BANCO SANTANDER DE NEGOCIOS	546.89	20,933,176.71	0.00	CANTOR FITZGERALD EUROPE, LONDON	344.35	26,672.00	0.01
BANCO SANTANDER MEXICANO, MEXICIO	541.03	82,402.00	0.01	CAP INSTL SVCS INC-EQUITIES, DALLAS	499.75	78,990.00	0.01
BANCO SANTANDER MEXICANO, S.A.	420.57	2,197,319.41	0.00	CAPITAL INSTITUTIONAL SVCS INC EQUITIES	1,082.58	99,024.00	0.01
BANCO SANTANDER SA, SAO PAULO	325.42	7,500.00	0.04	CAPITAL INSTITUTIONAL SVCS INC, DALLAS	1.25	200.00	0.01
BANCO SANTANDER, NEW YORK	25,107.42	3,383,183.00	0.01	CAPITAL ONE SOUTHCOAST INC, NEW ORLEANS	104.92	2,541.00	0.04
BANK J VONTOBEL & CO LTD, ZURICH	7,642.65	76,461.00	0.10	CARNEGIE	396.34	3,092,256.90	0.00
BANK J.VONTOBEL UNO CO. AG	5,268.29	1,670,308.67	0.00	CARNEGIE A S	447.03	3,973,909.91	0.00
BANQUE NATL DE PARIS, HONG KONG	313.15	918,200.00	0.00	CARNEGIE ASA, OSLO	57.71	9,992.00	0.01
BANQUE PARIBAS, PARIS	748.50	61,529.00	0.01	CARNEGIE BANK A.S.	532.81	2,774,974.24	0.00
BARCLAYS BANK PLC	4,172.10	4,924,662.16	0.00	CARNEGIE BANK AS, COPENHAGEN	1,902.87	59,115.00	0.03
BARCLAYS BANK, NEW YORK	64,148.55	750,468.66	0.09	CARNEGIE SECS LTD, HELSINKI (CASFFIH1)	1,141.01	43,090.00	0.03
BARCLAYS BK PLC, NEW YORK	3,025.58	369,641.00	0.01	CASTLEOAK SEC/CANTOR FITZGERALD & CO, NY	186.30	6,210.00	0.03
BARCLAYS CAPITAL	18,256.27	15,271,933,702.73	0.00	CBA EQUITIES LIMITED	62.02	206,287.97	0.00
BARCLAYS CAPITAL INC.	24,224.58	672,412,603.22	0.00	CENTRAL SECS CLEARING SYSTEM LTD,LAGOS	1,014.98	1,038,400.00	0.00
BARCLAYS CAPITAL INC./LE	309.04	964,021.88	0.00	CENTRAL SECURITIES CLEARING SYSTEM LTD	69.77	8,560,996.31	0.00
BARCLAYS CAPITAL INC./LE, NEW JERSEY	4,754.42	126,362.00	0.04	CENTRO INTERNATIONAL HANDELSBANK	2,803.53	709,204.96	0.00
BARCLAYS CAPITAL LE	8,339.77	553,612.00	0.02	CHARLES SCHWAB & CO INC	43.22	2,551.00	0.02
BARCLAYS CAPITAL LE, JERSEY CITY	30,958.47	1,653,496.00	0.02	CHASE BK, LONDON	470.82	37,169.00	0.01
BARCLAYS CAPITAL SECS LTD, LONDON	34.92	921.00	0.04	CHEEVERS & CO. INC.	3,423.71	122,434.00	0.03
BARCLAYS CAPITAL, LONDON (BARCGB33)	74,344.76	15,723,805.00	0.00	CHEEVERS & CO. INC.,CHICAGO	5,969.26	206,759.00	0.03
BARCLAYS CAPITAL, NEW YORK	3,182.84	457,680.00	0.01	CHINA INTERNATIONAL CAPITAL CORPORA	1,001.60	3,679,085.31	0.00
BARRINGTON RESEARCH ASSOCIATES INC.	60.00	1,500.00	0.04	CHINA INTL CAP CORP HK SECS, HONG KONG	5,402.47	2,466,000.00	0.00
BARRINGTON RESEARCH ASSOCIATES, BROOKLYN	790.90	20,520.00	0.04	CHINA INTL CAP CORP LTD, BEIJING	4,779.06	1,814,500.00	0.00
BB&T SECURITIES, LLC	83.40	121,668.00	0.00	CIBC WORLD MARKETS CORP, NEW YORK	188.00	4,700.00	0.04
BB&T SECURITIES, LLC, RICHMOND	1,343.97	46,563.00	0.03	CIBC WORLD MKTS INC	114.12	54,346.32	0.00
BEAR STEARNS LONDON	276.66	7,700.00	0.04	CIBC WORLD MKTS INC, TORONTO	379.09	10,297.00	0.04
BENCHMARK COMPANY LLC, BROOKLYN	275.54	8,916.00	0.03	CICC US SECURITIES INC, NEW YORK	496.32	214,000.00	0.00
BERENBERG GOSSLER & CIE, HAMBURG	19,363.60	326,070.00	0.06	CICC US SECURITIES, INC.	2,971.65	13,463,550.41	0.00
BERNSTEIN SANFORD C & CO, NEW YORK	21,455.65	1,509,745.00	0.01	CIMB GK SECURITIES PTE LTD, SINGAPORE	373.62	330,000.00	0.00
BLAYLOCK & CO INC, JERSEY CITY	1,434.19	45,503.00	0.03	CIMB INVESTMENT BK BERHAD, KUALA LUMPUR	9,218.87	14,450,886.00	0.00
BLAYLOCK ROBERT VAN LLC	27.00	1,350.00	0.02	CIMB SECURITIES (AUSTRALIA) LIMITED	112.10	87,387.62	0.00
BLEY INVESTMENT GROUP	3,202.85	102,989.00	0.03	CIMB SECURITIES (AUSTRALIA) LTD, SYDNEY	3,340.40	360,885.00	0.01
BLEY INVESTMENT GROUP, JERSEY CITY	3,829.31	131,343.00	0.03	CIMB SECURITIES (HK) LTD.	541.79	2,776,608.65	0.00
BLOOMBERG TRADEBOOK LLC, NEW YORK	6,798.24	197,527.00	0.03	CIMB SECURITIES (THAILAND) CO., LTD	6,849.18	93,056,442.21	0.00
BLOOMBERG TRADEBOOK,NEW YORK	7,000.93	178,537.00	0.04	CIMB SECURITIES (USA), INC, NEW YORK	2,327.85	2,132,133.00	0.00
BLOOMBERGTRADEBOOK LLC	6,399.79	166,706.00	0.04	CIMB SECURITIES USA INC.	1,847.84	8,324,831.65	0.00
BMO CAPITAL MARKETS	557.55	15,455.00	0.04	CIMB-GK SECURITIES PTE.LTD.	110.78	181,007.77	0.00
BMO CAPITAL MARKETS CORP, NEW YORK	3,368.49	92,093.00	0.04	CITIBANK LTD, MELBOURNE	150.67	16,123.00	0.01
BNP EQUITIES FRANCE	1,893.45	2,946,965.96	0.00	CITIBANK N.A.	35.36	22,756,067,939.70	0.00
BNP PARIBAS	422.74	2,825,868,005.90	0.00	CITIBANK N.A. LONDON	10.76	37,729,262,366.81	0.00
BNP PARIBAS PEREGRINE SEC LTD, HONG KONG	18,550.18	9,730,114.00	0.00	CITIBANK NA, JAKARTA	283.04	97,000.00	0.00
BNP PARIBAS PRIME BROKERAGE,INC,NEW YORK	1,662.21	50,011.00	0.03	CITIBANK NY (MER)	709.72	45,398.00	0.02
BNP PARIBAS SEC SVCS, LONDON (PARBGB2L)	3,612.17	263,711.00	0.01	CITIC CAPITAL SEC, HONG KONG	17,695.34	9,072,100.00	0.00
BNP PARIBAS SECURITIES (ASIA) LTD.	27,737.33	17,192,489,026.94	0.00	CITIC SECURITIES BROKERAGE(HK)LIMITED	150.58	877,954.43	0.00
BNP PARIBAS SECURITIES SERVICES	1,274.80	542,549.11	0.00	CITIGROUP GBL MKTS INC, NEW YORK	75,083.02	5,141,914.00	0.01
BNY CONVERGEX / LJR, HOUSTON	67.04	5,404.00	0.01	CITIGROUP GBL MKTS/SALOMON, NEW YORK	85,638.51	23,762,886.00	0.00

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
CITIGROUP GLOBAL MARKETS LTD, LONDON	167,866.23	23,210,121.00	0.01	DIVINE CAPITAL MARKETS LLC	115.08	2,877.00	0.04
CITIGROUPGLOBAL MARKETS AUSTRALIA PTY	214.98	483,030.71	0.00	DOUGHERTY COMPANY, BROOKLYN	4,688.65	152,782.00	0.03
CITIGROUPGLOBAL MARKETS INC.	50,542.62	8,680,979,762.08	0.00	DOUGHERTYCOMPANY	3,060.43	101,434.00	0.03
CITIGROUPGLOBAL MARKETS LIMITED	41,088.16	779,251,825.81	0.00	DOWLING & PARTNERS, JERSEY CITY	14,457.44	438,136.00	0.03
CJS SECURITIES INC, JERSEY CITY	243.64	6,803.00	0.04	DOWLING & PARTNERS	1,707.00	48,400.00	0.04
CLSA AUSTRALIA PTY LTD, SYDNEY	2,357.01	630,745.00	0.00	DREXEL HAMILTON LLC, JERSEY CITY	3,050.14	111,732.00	0.03
CLSA SINGAPORE PTE LTD.	12,182.46	8,935,890,058.27	0.00	DTCYID	420.00	10,500.00	0.04
COMMERCE INTL MERCHANT BANKERS	2,966.44	15,776,777,480.00	0.00	DUNDAS UNLU SECURITIES INC, ISTANBUL	1,171.98	183,667.00	0.01
COMMERZBANK AG	70.96	37,748.65	0.00	EFG ISTANBUL MENKUL DE ERLER ANONIM SIR	3,442.96	3,094,757.99	0.00
COMMERZBANK AG, LONDON	1,624.28	10,303.00	0.16	ERB EUROBANK SECURITIES S.A., ATHENS	391.13	28,400.00	0.01
COMPASS POINT RESEARCH & TR, JERSEY CITY	1,233.92	37,663.00	0.03	ERSTE BK BEFEKTETESI RT, BUDAPEST	1,831.51	77,264.00	0.02
COMPASS POINT RESEARCH + TRADING, LLC	951.08	35,245.00	0.03	ERSTE BK SPARKASSEN, PRAGUE	1,240.92	22,025.00	0.06
CONVERGEXEXECUTION SOLUTIONS LLC	3,128.03	110,346.00	0.03	EUROCLEAR BANK SA NV, BRUSSELS	352.02	9,216.00	0.04
CORMARK SECURITIES INC	3,533.72	1,816,276.63	0.00	EVERCORE GROUP LLC	182.38	5,052.00	0.04
CORMARK SECURITIES INC./CDS, TORONTO	12,790.81	422,006.00	0.03	EVERCORE GROUP LLC, JERSEY CITY	2,623.50	83,106.00	0.03
CORMARK SECURITIES INC./VALEURS MOBILIER	783.00	26,100.00	0.03	EVERCORE, PITTSBURGH	2,801.00	82,100.00	0.03
COWEN AND COMPANY LLC, NEW YORK	4,355.14	142,774.00	0.03	EXANE S.A.	2,651.19	940,808.41	0.00
COWEN ANDCOMPANY, LLC	130.32	4,373.00	0.03	EXANE, PARIS (EXANFRPP)	4,126.18	111,507.00	0.04
CRAIG - HALLUM	1,825.05	90,213.00	0.02	EXECUTION (HONG KONG)LTD, HONG KONG	571.33	214,500.00	0.00
CRAIG HALLUM, MINNEAPOLIS	8,346.37	333,140.00	0.03	EXECUTION LTD, LONDON	261.85	47,762.00	0.01
CREDIT AGRICOLE SECS USA INC, NEW YORK	49.68	4,354.00	0.01	EXECUTION(HONG KONG) LIMITED	4,795.00	33,160,822.92	0.00
CREDIT AGRICOLE USA, NEW YORK	740.50	21,350.00	0.03	FATOR - DORIAATHERINO S.A CV	179.99	10,870.00	0.02
CREDIT LYONNAIS SEC, SEOUL	3,737.15	43,451.00	0.09	FBR CAPITAL MARKETS & CO, ARLINGTON	8,901.86	288,878.00	0.03
CREDIT LYONNAIS SECS (ASIA), HONG KONG	23,848.64	15,555,587.00	0.00	FIDENTIIS EQUITIES SV SA, MADRID	120.00	8,630.00	0.01
CREDIT LYONNAIS SECS, SINGAPORE	17,858.74	5,883,002.00	0.00	FIG PARTNERS LLC	702.56	30,748.00	0.02
CREDIT LYONNAIS SECURITIES (USA) INC	102.38	254,593,306.00	0.00	FIG PARTNERS LLC, ATLANTA	3,497.95	164,599.00	0.02
CREDIT LYONNAIS SECURITIES ASIA, GUERNSEY	1,085.02	19,195,556.69	0.00	FINANCIAL BROKERAGE GROUP (FBG), CAIRO	2,911.65	171,855.00	0.02
CREDIT LYONNAIS SECURITIES (ASIA)	2,195.77	16,775,322.80	0.00	FINANCIALBROKERAGE GROUP (FBG)	3,127.78	7,479,397.98	0.00
CREDIT RESEARCH & TRADING LLC, JERSEY	12,882.37	397,741.00	0.03	FINANCIALCLEARING SERVICES CORP	429.00	14,300.00	0.03
CREDIT RESEARCH + TRADING LLC	2,196.00	60,000.00	0.04	FIRST ANALYSIS SECS CORP, CHICAGO	128.80	2,576.00	0.05
CREDIT SUISSE (EUROPE), LONDON	48,681.64	2,211,016.00	0.02	FIRST ANALYSIS SECURITIES CORP	280.55	6,551.00	0.04
CREDIT SUISSE (EUROPE), SEOUL	37,193.83	428,913.00	0.09	FIRST SOUTHWEST CO, DALLAS	1,252.00	31,300.00	0.04
CREDIT SUISSE (HK) LIMITED, HONG KONG	64,451.11	22,942,471.00	0.00	FLOW CORRETORA DE MERCADORIAS LTDA.	1,168.70	1,653,614.35	0.00
CREDIT SUISSE AUSTRALIA EQ, MELBOURNE	601.56	502,338.00	0.00	FLOW CORRETORA DE MERCADORIAS, SAO PAULO	4,901.31	198,200.00	0.02
CREDIT SUISSE FIRST BOSTON (EUROPE)	1,246.19	3,738,867,304.00	0.00	FOKUS BANK, TRONDHEIM	1,395.55	34,852.00	0.04
CREDIT SUISSE FIRST BOSTON SA CTVM	1,501.40	2,937,912.77	0.00	FOX RIVER EXECUTION TECH, LLC, JERSEY CITY	108.00	21,600.00	0.01
CREDIT SUISSE SECURITIES (EUROPE) LTD	22,591.92	2,315,914.00	0.01	FRANK RUSSELL SEC INC, NEW YORK	742.59	24,296.00	0.03
CREDIT SUISSE SECURITIES (USA) LLC	37,805.90	10,842,989,797.07	0.00	FRANK RUSSELL SEC/BROADCORT CAP CLEARING	224.18	7,536.00	0.03
CREDIT SUISSE SECURITIES (USA) LLC, NY	1,447.44	36,186.00	0.04	FREIMARK BLAIR & CO INC/BCC CLRG, NJ	922.31	60,815.00	0.02
CREDIT SUISSE, NEW YORK (CSUS)	144,138.04	50,961,403.00	0.00	FRIEDMAN BILLINGS + RAMSEY	828.84	21,057.00	0.04
CREDIT SUISSE, SAO PAULO	20,622.04	1,957,675.00	0.01	G TRADE SERVICES LTD	2,194.91	726,958,320.67	0.00
CS FIRST BOSTON (HONG KONG) LIMITED	54,084.97	18,363,644,527.95	0.00	GK GOH SECURITIES	7,092.25	2,349,100.00	0.00
CSI US INSTITUTIONAL DESK	56.00	1,400.00	0.04	GLOBAL HUNTER SECURITIES	996.64	67,270.00	0.01
CSI US INSTITUTIONAL DESK, NEW YORK	1,303.40	40,900.00	0.03	GLOBAL HUNTER SECURITIES LTD, JERSEY	1,203.55	62,927.00	0.02
CUTTONE & CO, JERSEY CITY	34.00	1,700.00	0.02	GOLDEN DIVIDEND 531(PTY)LTD, JOHANNESBURG	188.02	119,831.00	0.00
CUTTONE & CO.	114.00	5,700.00	0.02	GOLDMAN SACHS & CO, NY	173,424.33	43,104,328.00	0.00
D CARNEGIE AB, LONDON	10,792.96	316,039.00	0.03	GOLDMAN SACHS (ASIA), SEOUL	372.74	804.00	0.46
D CARNEGIE AB, STOCKHOLM	8,738.68	379,443.00	0.02	GOLDMAN SACHS + CO	36,339.68	6,519,824,671.25	0.00
D CARNEGIE AG	3,066.40	13,565,016.54	0.00	GOLDMAN SACHS ASIA SEC LTD, HONG KONG	3,441.91	2,400,800.00	0.00
DAEWOO SECURITIES CO LTD	4,330.46	2,630,684,230.00	0.00	GOLDMAN SACHS DO BRASIL CORRETORA	10,553.62	10,136,043.18	0.00
DAEWOO SECURITIES CO LTD, SEOUL	3,555.46	112,866.00	0.03	GOLDMAN SACHS DO BRASIL, SAO PAULO	7,638.12	997,185.00	0.01
DAIWA CAPITAL MARKETS INVST, SINGAPORE	5.68	18,000.00	0.00	GOLDMAN SACHS EXECUTION & CLEARING, NY	7,431.57	310,706.00	0.02
DAIWA SECS (HK) LTD, HONG KONG	13,744.34	3,194,667.00	0.00	GOLDMAN SACHS INTERNATIONAL	37,887.29	22,029,819,112.18	0.00
DAIWA SECS AMER INC, NEW YORK	39,304.58	7,063,316.00	0.01	GOLDMAN SACHS INTL, LONDON (GSILGB2X)	71,172.65	13,327,802.00	0.01
DAIWA SECURITIES (HK) LTD.	1,036.65	78,296,478.55	0.00	GOLDMAN SACHS INTL, NY	1,858.75	45,600.00	0.04
DAIWA SECURITIES AMERICA INC	13,306.37	1,011,493,157.51	0.00	GOLDMAN SACHS(ASIA)L.L.C.	1,046.52	4,862,257.85	0.00
DANSKE BANK A.S.	5,610.44	27,852,517.52	0.00	GOODBODY STOCKBROKERS	6,913.10	1,995,202.52	0.00
DAVIDSON D.A. + COMPANY INC.	484.00	12,100.00	0.04	GOODBODY STOCKBROKERS, DUBLIN	7,619.13	385,790.00	0.02
DAVIDSON(D.A) & CO INC, NEW YORK	1,187.00	33,000.00	0.04	GOODMORNING SHINHAN SECS CO LTD, SEOUL	2,492.98	34,001.00	0.07
DAVY STOCKBROKERS	2,475.33	1,766,197.43	0.00	GORDON HASKETT CAP CORP, NJ	2.00	100.00	0.02
DBS VICKERS (HONG KONG) LIMITED	7,361.60	18,398,238.76	0.00	GREAT PACIFIC SECS INC, CALIFORNIA	1,463.29	46,067.00	0.03
DBS VICKERS (HONG KONG) LTD, HONG KONG	10,600.33	4,212,400.00	0.00	GREAT PACIFIC SECURITIES INC.	350.70	10,900.00	0.03
DBS VICKERS SEC PTE LTD, SINGAPORE	835.80	1,135,000.00	0.00	GREEN STREET ADVISORS	84.00	2,100.00	0.04
DBS VICKERS SECURITIES (SINGAPORE)	1,618.19	1,296,691.65	0.00	GREEN STREET ADVISORS, JERSEY CITY	100.00	2,500.00	0.04
DEAGROATT+ CAMPBELL SDN BHD	3,828.86	5,538,939.82	0.00	GREENTREE BROKERAGE SERVICES, JERSEY CITY	109.14	5,457.00	0.02
DEN DANSKE BANK, COPENHAGEN	5,253.06	270,156.00	0.02	G-TRADE SERVICES LTD, HAMILTON	29,673.07	4,259,755.00	0.01
DENIZ YATIRIM MENKUL DEGERLER, ISTANBUL	30.62	5,077.00	0.01	G-TRADE SERVICES, LTD, JERSEY CITY	85.76	900.00	0.10
DEUTSCHE BANK AG (CJG), SINGAPORE	64.78	1,907.00	0.03	GUGGENHEIM CAPITAL MARKETS LLC	37.35	747.00	0.05
DEUTSCHE BANK AG LONDON	16,108.36	79,102,892,934.14	0.00	GUGGENHEIM CAPITAL MKT LLC, JERSEY CITY	1,081.95	27,305.00	0.04
DEUTSCHE BANK ALEX BROWN	82.53	1,700.00	0.05	GUZMAN & COMPANY, CORAL GABLES	2,559.00	79,000.00	0.03
DEUTSCHE BANK SECURITIES INC	57,470.52	12,234,174,908.65	0.00	GUZMAN AND COMPANY	2,187.50	87,500.00	0.03
DEUTSCHE BK ALEX BROWN, JERSEY CITY	547.00	15,300.00	0.04	HANA DAETOO SECURITIES	1,017.74	759,444,386.00	0.00
DEUTSCHE BK INTL EQ, LONDN (DEUTGB2EEQ)	34,184.22	2,337,045.00	0.01	HANA DAETOO SECURITIES, SEOUL	2,333.59	20,547.00	0.11
DEUTSCHE BK SECS INC, NY (NWSCUS33)	154,373.55	69,289,823.00	0.00	HC ISTANBUL MENKUL DEGERLER, ISTANBUL	4,262.66	800,049.00	0.01
DEUTSCHE MORGAN GRENFFELL SEC, SYDNEY	1,615.07	98,942.00	0.02	HIBERNIA SOUTHCOAST CAPITAL INC	165.56	5,239.00	0.03
DEUTSCHE MORGAN GRENFFELL SECS	125.88	397,038.26	0.00	HONG KONG & SHANGHAI BKG CORP, HONG KONG	5,381.32	1,912,949.00	0.00
DEUTSCHE SEC ASIA LTD, HONG KONG	30,525.89	8,994,915.00	0.00	HONGKONG AND SHANGHAI BANKING CORP	4,137.64	26,037,657.65	0.00
DEUTSCHE SECURITIES ASIA LIMITED	4,136.36	167,481,807.67	0.00	HSBC BANK AS(CUSTODY & CLRG), ISTANBUL	138.31	17,400.00	0.01

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
HSBC BANK BRASIL SA (COR), SAO PAULO	869.96	34,194.00	0.03	JOHNSON TAYLOR LTD, AUSTRALIA	989.34	27,763.00	0.04
HSBC BANK PLC (MIDLAND BK)(JAC), LONDON	51,707.65	9,283,011.00	0.01	JONESTRADING INSTITUTIONAL SERVICES LLC	5,803.54	152,757.00	0.04
HSBC BANK PLC (MIDLAND BK)(XXX), LONDON	2,681.02	48,951.00	0.05	JONESTRADING INSTL SVCS LLC, WESTLAKE	24,692.25	839,088.00	0.03
HSBC BANKBRASIL SA BANCO MULTIPL	283.65	272,339.64	0.00	JP MORGAN SECS (FAR EAST) LTD, SEOUL	805.52	87,700.00	0.01
HSBC BANKPLC	8,222.14	16,687,132,669.34	0.00	JP MORGAN SECS ASIA PACIFIC, HONG KONG	25,265.65	18,535,845.00	0.00
HSBC BROKERAGE (USA) INC.	21.34	1,300.00	0.02	JP MORGAN SECS, SINGAPORE	37.99	39,600.00	0.00
HSBC BROKERAGE (USA) INC., NEW YORK	10.12	1,074.00	0.01	JP MORGAN SECURITIES AUSTRALIA LTD	1,778.08	3,404,537.68	0.00
HSBC JAMES CAPEL, SEOUL	3,299.86	20,418.00	0.16	JP MORGAN SECURITIES PLC	32,348.25	2,663,429,038.67	0.00
HSBC SECS INC, NEW YORK	26,810.66	6,065,285.00	0.00	JPMORGAN SECURITIES INC, NEW YORK	30,323.45	4,084,091.00	0.01
HSBC SECURITIES (USA) INC, NEW YORK	251.47	19,343.00	0.01	JPMORGAN SECURITIES(ASIA PACIFIC)LTD	10,089.50	40,181,911,338.88	0.00
HSBC SECURITIES (USA), INC.	9,071.41	24,822,682,217.64	0.00	KAS BANK NV, AMSTERDAM	74.28	1,026.00	0.07
HSBC,(ALL HK OFFICES & HEAD OFFICE), HK	1,866.38	1,136,967.00	0.00	KAS-ASSOCIATIE N.V.	542.10	536,961.43	0.00
HYUNDAI SECURITIES	11,723.07	8,219,977,922.00	0.00	KAUPTHING SINGER & FRIEDLANDER, LONDON	1,489.23	76,042.00	0.02
HYUNDAI SECURITIES, SEOUL	24,179.32	238,856.00	0.10	KBC PEEL HUNT LTD	170.50	78,727.68	0.00
ICAP DO BRASIL DTVM LTDA	1,487.91	53,689.00	0.03	KEB SALOMON SMITH BARNEY SECS, SEOUL	1,736.71	8,358.00	0.21
ICAP DO BRASIL DTVM LTDA, RIO DE JANEIRO	253.55	41,500.00	0.01	KEEFE BRUYETTE + WOODS INC	576.03	24,723.00	0.02
IMPERIAL CAPITAL LLC, BEVERLY HILLS	45.00	900.00	0.05	KEEFE BRUYETTE AND WOODS, JERSEY CITY	7,243.13	211,576.00	0.03
ING SECURITIES SPOWKA AKCYJNA, WARSZAWIE	250.55	11,407.00	0.02	KEPLER EQUITIES, PARIS	12,323.63	4,443,860.18	0.00
INSTINET	19,247.81	1,391,255.00	0.01	KEYBANC CAPITAL MARKETS INC	3,371.02	1,389,946.00	0.00
INSTINET AUSTRALIA CLEARING SERV, SYDNEY	3,714.10	2,085,511.00	0.00	KEYBANC CAPITAL MARKETS INC, NEW YORK	7,555.25	215,258.00	0.04
INSTINET AUSTRALIA CLEARING SRVC PTY LTD	281.33	721,918.21	0.00	KIM ENG SEC (PTE) LTD, SINGAPORE	159.62	32,000.00	0.00
INSTINET CANADA	3,370.39	4,659,447.75	0.00	KIM ENG SEC LTD, HONG KONG	1,080.47	310,100.00	0.00
INSTINET CANADA, TORONTO	57.72	8,064.00	0.01	KIM ENG SEC USA INC, NY	213.19	48,000.00	0.00
INSTINET CORP, NEW YORK	34,523.06	2,999,497.00	0.01	KIM ENG SECS PT, JAKARTA	37.79	25,800.00	0.00
INSTINET EUROPE LIMITED, LONDON	94,938.79	25,907,699.00	0.00	KIM ENG SECURITIES, P.T.	99.24	310,966,680.00	0.00
INSTINET LLC	1,384.13	57,800.00	0.02	KING (CL) & ASSOCIATES, ALBANY	20,937.23	695,441.00	0.03
INSTINET PACIFIC LIMITED	11,469.02	5,033,283,883.06	0.00	KING, CL, & ASSOCIATES, INC	3,940.72	100,268.00	0.04
INSTINET PACIFIC LTD, HONG KONG	73,661.34	18,274,719.00	0.00	KNIGHT CLEARING SERVICES LLC	341.34	67,618.00	0.01
INSTINET SINGAPORE SERVICES PT	301.25	1,247,446.65	0.00	KNIGHT CLEARING SERVICES LLC, JERSEY CIT	299.82	9,994.00	0.03
INSTINET U.K. LTD	26,077.67	1,125,767,042.06	0.00	KNIGHT DIRECT LLC	35.55	1,185.00	0.03
INSTINET, SINGAPORE	530.86	643,608.00	0.00	KNIGHT DIRECT LLC, JERSEY CITY	48.67	5,242.00	0.01
INTERMONTE SIM S.P.A., MILANO	424.88	11,175.00	0.04	KNIGHT EQUITY MARKETS L.P.	12,215.41	509,972.00	0.02
INVESTEC BANK PLC	1,066.19	245,596.29	0.00	KNIGHT EQUITY MARKETS L.P., JERSEY CITY	9,630.87	438,228.00	0.02
INVESTEC HENDERSON CROSTHWAITE	2,987.60	1,436,692.35	0.00	KOREA INVESTMENT AND SEC CO.LTD,SEOUL	10,163.70	87,566.00	0.12
INVESTEC HENDERSON CROSTHWAITE,LONDON	967.21	36,618.00	0.03	LARRAIN VIAL, SANTIAGO	112.37	242,247.00	0.00
INVESTEC SECURITIES (331), LONDON	5,653.46	420,182.00	0.01	LAZARD CAPITAL MARKETS LLC	685.00	844,150.00	0.00
INVESTEC SECURITIES LTD	250.48	1,244,430.73	0.00	LAZARD CAPITAL MARKETS LLC, JERSEY CITY	723.50	36,175.00	0.02
INVESTEC SECURITIES LTD, JOHANNESBURG	393.52	61,893.00	0.01	LEERINK SWANN & CO, JERSEY CITY	653.54	17,091.00	0.04
INVESTMENT TECHNOLOGY GROUP INC.	5,300.41	433,158.00	0.01	LEERINK SWANN AND COMPANY	297.00	9,900.00	0.03
INVESTMENT TECHNOLOGY GROUP LTD	8,893.45	75,828,294.86	0.00	LEK SECURITIES CORP	139.06	6,953.00	0.02
INVESTMENT TECHNOLOGY GROUP LTD,DUBLIN	37,814.99	8,642,035.00	0.00	LEK SECURITIES CORP, NEW YORK	1,374.86	71,956.00	0.02
INVESTMENT TECHNOLOGY GROUP, NEW YORK	25,312.77	2,406,396.00	0.01	LIQUIDNET ASIA LTD, HONG KONG	10,876.50	7,187,300.00	0.00
IS YATIRIM MENKUL DEGERLER AS, ISTANBUL	144.90	11,200.00	0.01	LIQUIDNET AUSTRALIA PTY LTD, SYDNEY	430.71	88,496.00	0.00
ISI GROUP INC, NY	9,516.41	286,532.00	0.03	LIQUIDNET CANADA INC, TORONTO	689.46	37,550.00	0.02
ISI GROUPINC	814.50	20,900.00	0.04	LIQUIDNET EUROPE LIMITED, LONDON	86.54	4,722.00	0.02
ITAU USA SECURITIES INC	1,775.22	121,986.00	0.01	LIQUIDNET INC, BROOKLYN	34,165.22	1,585,864.00	0.02
ITAU USA SECURITIES INC, NEW YORK	4,994.38	220,108.00	0.02	LIQUIDNETASIA LIMITED	2,155.21	10,627,909.48	0.00
ITG AUSTRALIA LTD, MELBOURNE	2,490.21	1,896,217.00	0.00	LIQUIDNETAUSTRALIA PTY LTD	152.41	175,987.04	0.00
ITG AUSTRALIA LTD.	1,000.76	3,001,454.06	0.00	LIQUIDNETINC	8,860.63	378,693.00	0.02
ITG HONG KONG LIMITED, HONG KONG	8,091.05	8,500,308.00	0.00	LONGBOW SECURITIES LLC, JERSEY CITY	152.00	3,800.00	0.04
ITG INC, NEW YORK	1,109.22	150,363.00	0.01	LOOP CAP MKTS LLC, CHICAGO	2,184.17	35,499.00	0.06
ITG INC.	939.06	111,090.00	0.01	LOOP CAPITAL MARKETS	15,269.22	837,937.00	0.02
ITG SECURITIES (HK) LTD	7,487.21	7,268,438,698.37	0.00	LOOP CAPITAL MARKETS LLC, JERSEY CITY	226.98	8,265.00	0.03
IVY SECURITIES, INC.	3.00	100.00	0.03	LOOP CAPITAL MARKETS, JERSEY CITY	34,831.41	1,985,742.00	0.02
IXIS SECURITIES, PARIS	2,160.20	131,759.00	0.02	M M WARBURG BRINCKMANN, HAMBURG	89.02	6,500.00	0.01
J & E DAVY, DUBLIN	3,990.47	345,661.00	0.01	M RAMSEY KING SECURITIES INC	643.21	25,627.00	0.03
J AND E DAVY	3,474.49	1,313,426.57	0.00	M RAMSEY KING SECURITIES INC, BROOKLYN	5,395.84	216,928.00	0.02
J P MORGAN CLEARING CORP, TORONTO(MBCO)	73.97	4,051.00	0.02	MACQUARIE BANK LTD, HONG KONG	39,644.47	19,637,691.00	0.00
J P MORGAN SEC LTD/STOCK LENDING, LONDON	5,600.96	208,223.00	0.03	MACQUARIE CAPITAL (USA) INC., NEW YORK	14,364.21	1,668,189.00	0.01
J P MORGAN SEC, SYDNEY	704.70	247,994.00	0.00	MACQUARIE CAPITAL LTD, LONDON	154.73	2,685.00	0.06
J P MORGAN SECS LTD, LONDON	94,720.40	11,776,395.00	0.01	MACQUARIE EQUITIES LTD, SYDNEY	2,993.94	404,271.00	0.01
J P MORGAN SECURITIES INC	26,045.34	14,421,828.99	0.00	MACQUARIE SECS (SINGAPORE), SINGAPORE	167.63	32,900.00	0.01
J P MORGAN SECURITIES INC, BROOKLYN	32,972.03	3,045,488.00	0.01	MACQUARIE SECURITIES LTD, AUCKLAND	1,186.35	201,643.00	0.01
J.P. MORGAN CLEARING CORP, NEW YORK	99,439.45	12,013,095.00	0.01	MACQUARIE SECURITIES LTD, SEOUL	3,187.74	69,147.00	0.05
J.P. MORGAN CLEARING CORP.	27,484.60	2,378,626,261.96	0.00	MACQUARIE SECURITIES(USA)INC JERSEY CITY	1,689.22	136,080.00	0.01
J.P. MORGAN SECURITIES INC.	9,438.83	620,556.00	0.02	MACQUARIEBANK LIMITED	9,783.62	10,957,664,283.55	0.00
J.P. MORGAN SECURITIES LIMITED	2,743.27	498,318.91	0.01	MACQUARIECAPITAL (EUROPE) LTD	135.46	65,542.67	0.00
JANNEY MONTGOMERY SCOTT, PHILADELPHIA	3,776.04	101,682.00	0.04	MACQUARIECAPITAL (USA) INC	8,055.30	696,165.23	0.01
JANNEY MONTGOMERY, SCOTT INC	452.55	640,131.00	0.00	MACQUARIEEQUITIES LIMITED (SYDNEY)	2,672.96	2,848,249.87	0.00
JEFFERIES & CO INC, NEW YORK	64,633.86	9,802,542.00	0.01	MACQUARIESEC NZ LTD	2,270.78	1,881,417.93	0.00
JEFFERIES & CO LTD, LONDON	17,436.20	5,189,741.00	0.00	MACQUARIESECURITIES (USA) INC	599.85	42,300.00	0.01
JEFFERIES+ COMPANY INC	13,663.58	91,164,004.34	0.00	MACQUARIESECURITIES LTD SEOUL	438.63	274,076,199.00	0.00
JEFFERIESINTERNATIONAL LTD	1,066.39	1,826,612.10	0.00	MAINFIRST BANK AG,FRANKFURT AM MAIN	9,979.52	129,499.00	0.08
JMP SECURITIES	844.60	51,315.00	0.02	MAINFIRSTBANK DE	1,963.02	782,151.11	0.00
JMP SECURITIES, SAN FRANCISCO	3,605.50	99,827.00	0.04	MAXIM GROUP, JERSEY CITY	612.50	17,500.00	0.04
JOH BERENBERG GOSSLER AND CO	3,581.74	1,903,612.91	0.00	MEDIOBANCA SPA, MILANO	4,184.97	124,965.00	0.03
JOHNSON RICE & CO, NEW ORLEANS	784.24	24,705.00	0.03	MERIDIAN EQUITY PARTNERS, NEW YORK	743.25	37,287.00	0.02
JOHNSON RICE + CO	345.13	9,830.00	0.04	MERLIN SECURITIES LLC, JERSEY CITY	801.25	80,125.00	0.01

PENSION FUNDS MANAGEMENT DIVISION

COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
MERRILL LYNCH & CO INC ATLAS GLOBAL, NY	3,076.56	235,384.00	0.01	PAREL	8,957.94	13,071,097.55	0.00
MERRILL LYNCH (SINGAPORE) PTE LTD	173.90	245,000.00	0.00	PAREL, PARIS	13,695.46	139,811.00	0.10
MERRILL LYNCH AND CO INC	29.56	77,718.57	0.00	PARETO FONDS AS, OSLO	99.73	2,292.00	0.04
MERRILL LYNCH GILTS LTD, LONDON	41,476.03	10,875,908.00	0.00	PAVILION GLOBAL MARKETS LTD	0.27	14,891.71	0.00
MERRILL LYNCH INTERNATIONAL	74,218.03	14,877,507,237.38	0.00	PEEL HUNT LLP, LONDON	1,346.02	191,337.00	0.01
MERRILL LYNCH INTL LONDON EQUITIES	216,082.92	61,540,972.00	0.00	PENSERRA SECURITIES	1,894.60	176,429.00	0.01
MERRILL LYNCH PIERCE FENNER + SMITH INC	29,479.76	42,989,621.01	0.00	PENSERRA SECURITIES, NEW YORK	5,723.97	421,335.00	0.01
MERRILL LYNCH PIERCE FENNER AND S	16,562.20	1,884,688,373.98	0.00	PERCIVAL FINL PARTNERS LTD, LAKE SUCCESS	1,188.00	29,700.00	0.04
MERRILL LYNCH PIERCE FENNER SMITH INC NY	116,274.75	5,969,215.00	0.02	PEREGRINE SECS PHILIPPINES INC, MANILA	327.01	155,800.00	0.00
MERRILL LYNCH PIERCE FENNER, WILMINGTON	45,115.99	11,285,343.00	0.00	PERSHING LLC	7,890.45	49,194,670.47	0.00
MERRILL LYNCH PROFESSIONAL CLEARING CORP	51.00	1,071,700.00	0.00	PIPER JAFFRAY LLC, JERSEY CITY	38,565.83	7,310,545.00	0.01
MERRILL LYNCH PROFESSIONAL CLRG, PURCHAS	24.00	800.00	0.03	PERSHING SECURITIES LIMITED	7,210.27	27,388,999,260.36	0.00
MERRILL LYNCH, SYDNEY	1,279.81	322,162.00	0.00	PERSHING SECURITIES LTD, LONDON	13,439.17	11,985,415.00	0.00
MIRAE ASSET SECURITIES, SEOUL	1,158.27	5,572.00	0.21	PICKERING ENERGY PARTNERS, HOUSTON	555.91	26,141.00	0.02
MISCHLER FINL/EQUITIES, CORONA DELMAR	9,153.49	310,819.00	0.03	PICKERINGENERGY PARTNERS, INC	270.90	6,638.00	0.04
MITSUBISHI UFJ SEC (USA), NEW YORK	3,808.11	488,600.00	0.01	PIPER JAFFRAY	5,556.57	204,418.00	0.03
MITSUBISHI UFJ SECS INTL PLC, LONDON	1,031.31	62,500.00	0.02	PIPER JAFFRAY & CO, MINNEAPOLIS	9,102.41	266,437.00	0.03
MITSUBISHI UFJ SECURITIES INT PLC	1,615.52	132,186,167.00	0.00	PT. MANDIRI SEKURITAS	805.45	4,457,248,272.00	0.00
MIZUHO SECURITIES ASIA LIMITED	2,333.69	193,485,202.00	0.00	PT. MANDIRI SEKURITAS, JAKARTA	895.88	831,500.00	0.00
MIZUHO SECURITIES ASIA, HONG KONG	5,514.99	371,400.00	0.01	PULSE TRADING LLC	4,188.21	176,340.00	0.02
MIZUHO SECURITIES USA INC	6,494.59	541,931,245.00	0.00	PULSE TRADING LLC, BOSTON	11,490.88	563,329.00	0.02
MIZUHO SECURITIES USA INC, NEW YORK	8,005.35	489,846.00	0.02	RABOBANK NEDERLAND, UTRECHT	509.55	2,366.00	0.22
MKM PARTNERS LLC	456.00	15,200.00	0.03	RABOBANK NETHERLAND	4,027.35	1,038,714.59	0.00
MKM PARTNERS LLC, GREENWICH	10,876.42	313,254.00	0.03	RAIFFEISEN CENTROBANK AG, VIENNA	2,184.64	17,797.00	0.12
MONTRROSE SECURITIES EQ, SAN FRANCISCO	4,335.75	151,000.00	0.03	RAYMOND JAMES & ASSOC INC, ST PETERSBURG	23,088.23	674,315.00	0.03
MONTRROSE SECURITIES EQUITIES	1,428.58	56,758.00	0.03	RAYMOND JAMES AND ASSOCIATES INC	3,335.48	88,901.00	0.04
MORGAN J P SECS INC, NEW YORK	15,247.82	547,267.00	0.03	RBC CAPITAL MARKETS	5,059.79	203,162,064.37	0.00
MORGAN STANLEY & CO INC, NY	182,594.46	43,265,407.00	0.00	RBC CAPITAL MARKETS LLC, NEW YORK	60,831.48	2,423,058.00	0.03
MORGAN STANLEY & CO INTL LTD, SEOUL	3,395.68	47,120.00	0.07	RBC DEXIAINVESTOR SERVICES	524.32	340,844.09	0.00
MORGAN STANLEY & CO, LONDON (MSLNGB2X)	84,709.52	13,812,036.00	0.01	RBC DOMINION SECS INC, TORONTO (DOMA)	7,903.08	240,560.00	0.03
MORGAN STANLEY AND CO. INTERNATIONAL	32,892.39	3,890,093,028.53	0.00	RBC DOMINION SECURITIES INC.	1,109.36	3,557,897.46	0.00
MORGAN STANLEY CO INCORPORATED	47,978.96	2,547,088,011.50	0.00	REDBURN PARTNERS LLP, LONDON	2,188.69	335,608.00	0.01
MORGAN STANLEY DEAN WITTER AUSTRALIA	130.42	572,295.29	0.00	RENAISSANCE CAPITAL LTD	2,680.74	7,210,971.90	0.00
MORGAN STANLEY DEAN WITTER, SYDNEY	151.16	153,682.00	0.00	RENAISSANCE CAPITAL LTD, LONDON	14,643.70	380,163.00	0.04
MORGAN STANLEY DW INC, JERSEY CITY	656.00	16,400.00	0.04	RENAISSANCE MACRO SEC, LLC, NEW YORK, NY	1,139.00	22,780.00	0.05
MORGAN STANLEY DW INC.	246.60	75,020.00	0.00	RENAISSANCE SECS (CYP) LTD, NICOSIA	31.62	2,287.00	0.01
MR BEAL & COMPANY, JERSEY CITY	336.90	11,230.00	0.03	RHB INVESTMENT BANK BERHAD	841.99	1,153,937.30	0.00
MR BEAL & COMPANY	36.00	1,200.00	0.03	ROBERT W. BAIRD CO. INCORPORATE	4,720.78	1,298,564.59	0.00
MS SECS SVCS INC INTL, BROOKLYN	98.59	33,009.00	0.00	ROBOTTI & COMPANY LLC, JERSEY CITY	468.00	11,700.00	0.04
NATIONAL FINANCIAL SERVICES CORP.	213.80	5,248.00	0.04	ROSENBLATT SECURITIES LLC, JERSEY CITY	208.00	5,200.00	0.04
NATIONAL FINL SVCS CORP, NEW YORK	685.27	21,839.00	0.03	ROTH CAPITAL PARTNERS LLC, IRVINE	620.74	18,248.00	0.03
NATIONAL SECS CO LTD, BANGKOK	721.20	228,880.00	0.00	ROYAL BANK OF CANADA EUROPE LTD	140.48	152,683.63	0.00
NATIONAL SECURITIES CO LTD	3,131.79	31,499,731.13	0.00	ROYAL BANK OF CANADA EUROPE LTD, LONDON	1,704.84	215,296.00	0.01
NATIXIS, PARIS	107.48	4,888.00	0.02	ROYAL TR CORP OF CDA/GBL CUSTODY, LONDON	2,493.72	171,503.00	0.01
NBC CLEARING SERVICES INCORPORATED	13,940.20	364,116.00	0.04	S G WARBURG, SEOUL	1,382.28	16,626.00	0.08
NBCN INC, TORONTO (NBCS)	4,579.40	126,687.00	0.04	SAMSUNG SECS, SEOUL	5,133.79	78,227.00	0.07
NCB STOCKBROKER, DUBLIN	417.83	8,067.00	0.05	SAMUEL A RAMIREZ & COMPANY INC	304.00	15,200.00	0.02
NCB STOCKBROKERS LIMITED	902.96	497,184.22	0.00	SAMUEL A RAMIREZ & COMPANY, BROOKLYN	1,836.45	106,845.00	0.02
NEEDHAM & CO, NEW YORK	11,084.56	313,447.00	0.04	SANDLER O'NEILL & PARTNERS, NEW YORK	2,648.34	86,385.00	0.03
NEEDHAM +COMPANY	1,734.15	56,905.00	0.03	SANDLER ONEILL + PART LP	525.85	18,519.00	0.03
NESBITT BURNS	56.58	341,037.25	0.00	SANFORD C BERNSTEIN & CO INC, LONDON	10,999.98	23,598,664.00	0.00
NESBITT BURNS, TORONTO (NTDT)	14,855.58	637,970.00	0.02	SANFORD C. BERNSTEIN & CO, WHITE PLAINS	9,125.51	9,623,566.00	0.00
NOBLE FINANCIAL GROUP, BOCA RATON	248.50	7,100.00	0.04	SANFORD C. BERNSTEIN AND CO., LLC	1,513.88	149,179,890.39	0.00
NOBLE INTL INVESTMENTS INC, JERSEY CITY	61.60	1,760.00	0.04	SANFORD C. BERNSTEIN LTD	2,964.64	10,349,252.81	0.00
NOMURA FINANCIAL & INVESTMENT, SEOUL	8,495.92	84,373.00	0.10	SANFORD CBERNSTEIN CO LLC	11,584.98	1,336,916.00	0.01
NOMURA FINANCIAL AND INVESTMENT	42.89	32,157,453.00	0.00	SANTANDER CENTRAL HISPANO INVNT, MADRID	163.75	30,733.00	0.01
NOMURA INTERNATIONAL PLC	653.02	54,729,966.00	0.00	SANTANDER INVESTMENT SECS, JERSEY CITY	3,006.01	218,003.00	0.01
NOMURA SECS INTL, LONDON	2,689.34	302,700.00	0.01	SCB SECURITIES CO LTD, BANGKOK	5,578.20	3,092,900.00	0.00
NOMURA SECURITIES INTERNATIONAL INC	192.80	1,054,959,676.35	0.00	SCOTIA CAPITAL (USA) INC	1,775.85	13,031,770.15	0.00
NON-BROKER CORP ACTIONS, BOSTON	297.30	10,132.00	0.03	SCOTIA CAPITAL (USA) INC, NEW YORK	3,372.86	215,772.00	0.02
NORDEA BK PLC, HELSINKI (NDEAFIHH030)	331.63	51,744.00	0.01	SCOTIA CAPITAL INC, NEW YORK	1,484.50	222,023.00	0.01
NORTH SOUTH CAPITAL LLC	2,141.50	86,800.00	0.02	SCOTIA CAPITAL MKTS	4,112.81	1,569,369.97	0.00
NORTH SOUTH CAPITAL LLC, JERSEY CITY	10,992.20	445,990.00	0.02	SCOTIA CAPITAL MKTS, TORONTO	6,232.28	171,395.00	0.04
NORTHLAND SECS INC, JERSEY CITY	1,584.60	42,822.00	0.04	SEAGROTT & CAMPBELL SDN, KUALA LUMPUR	17,650.56	2,727,929.00	0.01
NORTHLANDSECURITIES INC.	405.00	10,550.00	0.04	SECURITY CAPITAL BROKERAGE, JERSEY CITY	26.31	877.00	0.03
NUMIS SECURITIES INC.	12,115.07	4,651,485.18	0.00	SEI FINANCIAL SER CO	736.40	21,040.00	0.04
NUMIS SECURITIES INC., NEW YORK	16,231.17	1,366,963.00	0.01	SEI FINANCIAL SERVICES CO, NEW YORK	1,419.95	40,570.00	0.04
NUMIS SECURITIES LIMITED	124.04	101,921.00	0.00	SG AMERICAS SECURITIES LLC	397.35	69,223,254.90	0.00
NUMIS SECURITIES LTD, LONDON	3,348.75	486,472.00	0.01	SG AMERICAS SECURITIES LLC, NEW YORK	1,477.57	110,240.00	0.01
ODDO ET CIE, PARIS	2,806.22	41,208.00	0.07	SG SEC (LONDON) LTD, LONDON	46,179.60	6,468,263.00	0.01
OPPENHEIMER & CO INC, NEW YORK	11,792.54	348,036.00	0.03	SG SECURITIES HK	1,491.64	38,537,276.47	0.00
OPPENHEIMER + CO. INC.	2,893.53	3,402,120.36	0.00	SG SECURITIES, HONG KONG	18,355.53	13,736,357.00	0.00
ORIEL SECURITIES LTD	320.05	367,266.86	0.00	SHORE CAPITAL STOCKBROKERS, LONDON	48.49	6,415.00	0.01
ORIEL SECURITIES LTD, LONDON	1,567.32	358,456.00	0.00	SIDOTI & CO LLC, NEW YORK	5,493.87	168,755.00	0.03
OYAK MENKUL DEGERELER A S	330.59	362,068.20	0.00	SIDOTI + COMPANY LLC	669.89	15,349.00	0.04
PACIFIC CREST SECURITIES	294.00	9,800.00	0.03	SIMMONS & CO INTL, HOUSTON	774.00	22,300.00	0.03
PACIFIC CREST SECURITIES, PORTLAND	8,497.92	273,947.00	0.03	SINGER CAPITAL MARKETS LIMITED	1,149.50	610,579.73	0.00
PANMURE GORDON AND CO LTD	252.32	140,814.49	0.00	SKANDINAVISKA ENSKILDA BANKEN, LONDON	12,771.02	502,589.00	0.03

PENSION FUNDS MANAGEMENT DIVISION

**COMBINED INVESTMENT FUNDS SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2014**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
SMBC NIKKO SECURITIES (HONK KONG) LTD	1,089.79	90,088,484.00	0.00	WOORI INVESTMENT SECURITIES	592.93	332,164,227.00	0.00
SMBC NIKKO SECURITIES LTD, WAN CHAI	569.85	43,500.00	0.01	WUNDERLICH SECURITIES INC, MEMPHIS	599.24	18,331.00	0.03
SMBC SECURITIES INC	729.39	72,637,809.00	0.00	WUNDERLICH SECURITIES INC.	223.00	26,475.00	0.01
SMBC SECURITIES, INC NEW YORK	8,922.84	258,500.00	0.03	XP INVESTIMENTOS CCTVM SA	503.70	19,180.00	0.03
SOCIETE GENERALE (ACC), ZURICH	338.92	1,476.00	0.23	XP INVESTIMENTOS CCTVM SA,RIO DE JANEIRO	327.71	25,111.00	0.01
SOCIETE GENERALE LONDON BRANCH	16,727.40	21,031,620.05	0.00	YAMNER & CO INC (CLS THRU 443)	899.88	89,988.00	0.01
SOUTHWEST SECURITIES INC, DALLAS	425.00	11,600.00	0.04	YAMNER & COMPANY INC, JERSEY CITY	2,077.86	207,786.00	0.01
SOUTHWEST SECURITIES	51.00	1,700.00	0.03	TOTAL	\$6,576,705.43		
STANDARD BANK LONDON LIMITED	815.88	4,168,944.00	0.00				
STANDARD BANK, LONDON	2,326.96	255,704.00	0.01				
STANDARD CHARTERED BANK	2,376.57	213,665,729.96	0.00				
STANDARD CHARTERED BANK (HONG KONG) LIMI	7,919.72	66,871,938.98	0.00				
STANDARD CHARTERED BANK LTD, HONG KONG	3,586.43	2,100,000.00	0.00				
STANDARD CHARTERED BANK, HONG KONG	15,992.69	10,406,400.00	0.00				
STATE STREET BROKERAGE SVCS, BOSTON	2,533.59	107,796.00	0.02				
STATE STREET GLOBAL MARKETS, LLC	121.56	4,878.00	0.02				
STEPHENS INC, LITTLE ROCK	5,856.04	180,914.00	0.03				
STEPHENS,INC.	1,625.55	47,920.00	0.03				
STERNE AGEE & LEACH INC.	7,181.43	853,349.00	0.01				
STIFEL NICOLAUS	36,964.60	1,539,570.00	0.02				
STIFEL NICOLAUS + CO INC	4,659.28	1,349,981.00	0.00				
STRATEGAS SECURITIES LLC, NEW YORK	409.08	13,636.00	0.03				
SUNTRUST CAPITAL MARKETS INC, ATLANTA	2,333.05	77,473.00	0.03				
SUNTRUST CAPITAL MARKETS, INC.	281.11	6,275.00	0.04				
SUSQUEHANNA BROKERAGE SVC, BALA CYNWYD	364.00	9,100.00	0.04				
SVENSKA HANDELSBANKEN, NEW YORK	948.89	63,308.00	0.01				
SVENSKA HANDELSBANKEN, STOCKHOLM	6,007.75	175,752.00	0.03				
TD SECURITIES (USA) LLC, NEW YORK	453.00	15,100.00	0.03				
TELSEY ADVISORY GROUP LLC	178.99	9,674.00	0.02				
TELSEY ADVISORY GROUP LLC, DALLAS	3,264.78	174,749.00	0.02				
THE BENCHMARK COMPANY, LLC	36.00	1,200.00	0.03				
THE HONGKONG AND SHANGHAI BANK	912.29	356,119,034.00	0.00				
THINKEQUITY PARTNERS LLC, MINNEAPOLIS	452.00	11,300.00	0.04				
THINKPANMURE LLC	36.00	900.00	0.04				
TONGYANG SECURITIES INC	3,780.62	1,935,487,552.00	0.00				
TOPEKA CAPITAL MARKETS INC, JERSEY CITY	28,815.27	1,446,634.00	0.02				
TOPEKA CAPITAL MARKETS INC.	3,564.62	342,501.00	0.01				
TOURMALINE PARTNERS	5,861.01	217,585.00	0.03				
TOURMALINE PARTNERS LLC, NEW YORK	19,139.79	646,707.00	0.03				
UBS AG	33,232.54	427,329,077.50	0.00				
UBS AG LONDON	3,613.24	35,948,896,203.58	0.00				
UBS EQUITIES, LONDON	309,599.99	12,857,954.00	0.02				
UBS SECS SINGAPORE PTE LTD	571.39	419,000.00	0.00				
UBS SECURITIES ASIA LTD	34,113.82	20,696,057,854.07	0.00				
UBS SECURITIES CANADA INC	11.53	60,459.52	0.00				
UBS SECURITIES CANADA, TORONTO (BWIT)	1,649.88	199,600.00	0.01				
UBS SECURITIES HONG KONG LTD, HONG KONG	286.02	240,200.00	0.00				
UBS SECURITIES LLC	26,466.47	33,794,725.05	0.00				
UBS SECURITIES LLC, STAMFORD	78,354.46	20,774,518.00	0.00				
UBS WARBURG ASIA LTD, HONG KONG	126,741.68	43,893,697.00	0.00				
UBS WARBURG AUSTRALIA EQUITIES	375.04	788,141.11	0.00				
UBS WARBURG AUSTRALIA EQUITIES, SYDNEY	553.72	246,614.00	0.00				
UBS WARBURG LLC, STAMFORD	125.01	10,706.00	0.01				
UBS WARBURG, LONDON	12,898.87	3,060,728.00	0.00				
UNION BANK SWITZERLAND SECS, LONDON	4,726.36	3,204,695.00	0.00				
UOB KAY HIAN (HONG KONG) LTD	1,516.64	8,901,798.13	0.00				
UOB KAY HIAN PTE LTD, HONG KONG	3,642.25	948,500.00	0.00				
UOB KAY HIAN SEC(THAILAND) CO LTD, BANGK	2,730.16	1,949,100.00	0.00				
VANDHAM SECURITIES CORP	1,639.48	46,012.00	0.04				
VANDHAM SECURITIES CORP, NEW YORK	1,892.01	88,143.00	0.02				
VTB BANK EUROPE PLC	558.05	530,153.01	0.00				
VTB BANK EUROPE PLC, LONDON	516.47	43,149.00	0.01				
WARBURG DILLON READ (NEW ZEALAND)	17.78	54,801.20	0.00				
WEDBUSH MORGAN SECS INC, LOS ANGELES	5,936.17	211,519.00	0.03				
WEDBUSH MORGAN SECURITIES INC	2,772.39	63,901.00	0.04				
WEEDEN & CO, NEW YORK	35,631.05	1,998,203.00	0.02				
WEEDEN + CO.	14,646.58	988,593.00	0.01				
WELLS FARGO SECURITIES LLC, CHARLOTTE	8,171.48	405,246.00	0.02				
WELLS FARGO SECURITIES, LLC	1,382.12	28,182,634.16	0.00				
WILLIAM BLAIR & CO, CHICAGO	21,306.58	613,811.00	0.03				
WILLIAM BLAIR & COMPANY L.L.C	3,320.85	84,997.00	0.04				
WILLIAMS CAPITAL GROUP LP (THE)	8,543.05	568,580.00	0.02				
WILLIAMS CAPITAL GROUP LP, JERSEY CITY	31,188.97	1,728,321.00	0.02				
WILSON HTM LTD, BRISBANE	70.03	24,700.00	0.00				
WM SMITH SECURITIES INC	1,962.00	65,400.00	0.03				
WOLFE TRAHAN SECURITIES	2,227.00	66,900.00	0.03				
WOLFE TRAHAN SECURITIES, NEW YORK	872.00	25,200.00	0.03				
WOORI INVESTMENT & SECURITIES, SEOUL	497.37	49,737.00	0.01				

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, 2014**

Bond Finance Type	Outstanding June 30, 2013	FY 2014			Outstanding June 30, 2014	FY 2014 ⁽¹⁾ Interest Paid
		Issued	Retired	Refunded or Defeased		
General Obligation - Tax Supported ⁽²⁾	\$10,859,465,487	\$2,122,225,000	\$ 927,010,001	\$ 894,280,000	\$ 11,160,400,486	\$ 474,380,711
General Obligation - Teachers' Retirement Fund Bonds ⁽³⁾	2,276,578,271	-	22,200,017	-	2,254,378,254	122,876,559
General Obligation - Economic Recovery Notes	573,365,000	314,295,000	-	306,885,000	580,775,000	19,865,861
General Obligation - GAAP Conversion Bonds ⁽⁴⁾	-	560,430,000	-	-	560,430,000	12,464,487
Special Tax Obligation	3,461,875,000	600,000,000	290,615,000	-	3,771,260,000	173,140,857
Bradley International Airport	141,555,000	-	5,955,000	-	135,600,000	5,742,160
Clean Water Fund	784,390,000	-	76,330,000	-	708,060,000	34,287,989
UCONN 2000 ⁽⁵⁾	828,795,000	425,900,000	78,405,000	152,305,000	1,023,985,000	41,819,373
CDA Increment Financing ⁽⁶⁾	19,365,000	18,885,000	2,970,000	-	35,280,000	793,749
CDA Governmental Lease Revenue ⁽⁷⁾	800,000	-	800,000	-	-	52,800
CHEFA Childcare Facilities Program ⁽⁸⁾	61,155,000	-	1,975,000	-	59,180,000	3,076,819
Juvenile Training School ⁽⁹⁾	14,655,000	-	520,000	-	14,135,000	711,125
Bradley International Parking Operations	37,395,000	-	2,120,000	-	35,275,000	2,384,105
CHFA Special Needs Housing Bonds ⁽¹⁰⁾	70,485,000	-	3,265,000	-	67,220,000	3,118,292
CCEDA Bonds ⁽¹¹⁾	94,805,000	-	2,835,000	-	91,970,000	4,034,748
CHFA Emergency Mortgage Assistance Program ⁽¹²⁾	46,110,000	-	1,950,000	-	44,160,000	2,021,335
TOTAL	\$19,270,793,758	\$4,041,735,000	\$1,416,950,018	\$1,353,470,000	\$ 20,542,108,740	\$ 900,770,970

- (1) Includes interest rate swap payments and variable rate bond fees.
- (2) Debt outstanding at June 30, 2013 included \$3,015,000 in Certificates of Participation for the Middletown Courthouse, which is not debt of the State. However, the State was obligated to pay a base rent under a lease for the courthouse, subject to annual appropriation of funds or the availability of other funds. The base rent was appropriated as debt service. The Certificates of Participation were paid in full on December 15, 2013.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) The CDA has issued its lease revenue bonds for the New Britain Government Center. The State was obligated to pay base rent subject to the annual appropriation of funds. These payments were budgeted in the Treasurer's debt service budget as lease payments. The bonds were paid in full on June 15, 2014. The CDA was merged into Connecticut Innovations (CI) effective July 1, 2012.
- (8) 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.
- (9) A lease purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.
- (10) 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.
- (11) The Capital City Economic Development Authority (CCEDA) 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 CCEDA, the State Treasurer, and the Secretary of the Office of Policy and Management. CCEDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues. CCEDA was re-named Capital Region Development Authority in 2012.
- (12) The 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 2014 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, 2014, please see Statutory Appendix.

DEBT MANAGEMENT DIVISION

**RETIREMENT SCHEDULE OF IN-SUBSTANCE DEFEASED DEBT OUTSTANDING⁽¹⁾ -
STATUTORY BASIS
JUNE 30, 2014**

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				
06/29/2012	\$ 80,000,000	12/01/2014	\$ 81,858,415	State and Local Government Series Bonds/Cash
06/26/2014	246,000,000	11/15/2015	259,114,370	State and Local Government Series Bonds/Cash
SUBTOTAL	\$ 326,000,000		\$ 340,972,785	
BOND TYPE: SPECIAL TRANSPORTATION FUND				
12/21/2012	\$ 114,395,000	07/01/2015	\$ 122,367,595	State and Local Government Series Bonds/Cash
SUBTOTAL	\$ 114,395,000		\$ 122,367,595	
BOND TYPE: CLEAN WATER FUND				
02/21/2013	\$ 46,280,000	07/01/2016	\$ 51,110,370	State and Local Government Series Bonds/Cash
02/21/2013	37,575,000	07/01/2016	41,704,395	State and Local Government Series Bonds/Cash
SUBTOTAL	\$ 83,855,000		\$ 92,814,765	
BOND TYPE: UCONN 2000				
07/31/2013	\$ 37,105,000	02/15/2015	\$ 38,873,713	State and Local Government Series Bonds/Cash
04/22/2014	8,735,000	02/15/2015	9,118,347	State and Local Government Series Bonds/Cash
SUBTOTAL	\$ 45,840,000		\$ 47,992,060	
TOTAL	\$ 570,090,000		\$ 604,147,205	

(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 2014 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, 2014**

Name of Firm	Description of Services	Aggregate Compensation Paid in FY 2014	Status as of 06/30/14
A.C. Advisory, Inc.	Financial Advisor	\$ 189,145	Active
Acacia Financial Group, Inc.	Financial Advisor	192,306	Active
AMTEC	Arbitrage Calculation/Verification Agent Fees	31,700	Active
Bank of America/Merrill Lynch	Management Fees	55,000	Active
Bayerische Landesbanke	Liquidity Fees	15,427	Inactive
Bloomberg	Subscription	7,823	Active
Day Pitney, LLP	Bond/Disclosure Counsel	825,847	Active
Edwards Wildman Palmer LLP	Bond Counsel	91,623	Inactive
Environmental Capital, LLC	Financial Advisor	24,372	Active
Finn Dixon & Herling LLP	Disclosure/Tax Counsel	96,737	Active
First Southwest Company	Financial Advisor	77,796	Active
Fitch Ratings	Rating Agency	443,000	N/A
Goldman Sachs	Remarketing Fees	5,000	Inactive
Hardwick Law Firm, LLC	Bond Counsel	38,348	Active
Hawkins, Delafield & Wood, LLP	Arbitrage Calculation Fees/Bond Counsel	60,832	Active
ImageMaster	Financial Printer	55,809	Active
Kroll Bond Rating Agency, Inc.	Rating Agency	50,000	N/A
Lamont Financial Services	Financial Advisor	9,449	Active
Law Offices of Joseph C. Reid, PA	Bond Counsel	20,468	Active
Lewis & Munday	Bond Counsel	106,831	Active
Loop Capital Markets	Management Fees	15,000	Active
M.R. Beal & Co.	Management Fees	45,000	Inactive
Mahoney Sabol & Co., LLP	Auditor	72,800	Active
Moody's Investors Service	Rating Agency	682,525	N/A
Morgan Stanley & Co., Inc.	Management Fees	50,000	Active
Orrick, Herrington & Sutcliffe, LLP (BondLogistix)	Arbitrage Calculation Fees	19,000	Active
Piper Jaffray & Co.	Management Fees	85,000	Active
Public Financial Management	Financial Advisor	26,822	Active
Public Resources Advisory Group	Financial Advisor	59,450	Active
Pullman & Comley, LLC	Bond Counsel	312,467	Active
Ramirez & Co.	Management Fees	60,000	Active
Rice Financial Products Company	Management Fees	33,000	Active
Robinson & Cole	Bond/Tax Counsel	322,387	Active
Seward and Monde	Auditor	38,000	Active
Shipman & Goodwin, LLP	Bond Counsel	72,459	Active
Siebert Brandford Shank & Co.	Management Fees	85,000	Active
Soeder & Associates	Tax Counsel	144,412	Active
Squire, Sanders (US) LLP	Bond Counsel	167,391	Active
Standard & Poor's Rating Service	Rating Agency	538,037	N/A
U. S. Bank, NA	Administrative/Escrow/Trustee Fees	218,501	Active
Updike, Kelly & Spellacy	Bond Counsel	114,674	Active
Wells Fargo Securities	Management Fees	85,000	Active
William Blair & Co.	Management Fees	27,000	Active
Total		\$ 5,671,438	

- 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, 2014**

Description	Total
INFLOWS	
Receipts:	
Deposits	\$30,611,249,262.03 ⁽¹⁾
Bad Checks	(10,186,267.70) ⁽²⁾
Treasury Initiated Transfers	2,174,375,928.34 ⁽³⁾
Total Receipts	<u>\$32,775,438,922.67</u>
Transfers:	<u>11,774,697,896.52</u> ⁽⁴⁾
Other Inflows:	
Internal Bank Transfers	36,819,163,645.90 ⁽⁵⁾
Interbank Transfers	16,696,380,650.92 ⁽⁶⁾
Total Other Inflows	<u>\$53,515,544,296.82</u>
Total Inflows	<u>\$98,065,681,116.01</u>
OUTFLOWS	
Disbursements:	
Vendor	\$27,810,571,184.92 ⁽⁷⁾
Payroll	4,133,217,551.82 ⁽⁸⁾
Total Disbursements	<u>\$31,943,788,736.74</u>
Transfers:	<u>12,227,768,958.64</u> ⁽⁴⁾
Other Outflows:	
Internal Bank Transfers	36,819,163,645.90 ⁽⁵⁾
Interbank Transfers	16,696,380,650.92 ⁽⁶⁾
Total Other Outflows	<u>\$53,515,544,296.82</u>
TOTAL OUTFLOWS	<u>\$97,687,101,992.20</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, 2014
PRESENTED UNDER STATUTORY BASIS OF ACCOUNTING ^{(3) (4)}**

Fund Name	Cash Balance July 1, 2013	FY 2014 Receipts	FY 2014 Disbursements	Transfers	Other Net Adjustments ⁽²⁾	Adjusted Cash Balance June 30, 2014
TOTAL FUNDS	\$145,706,027.17	\$32,775,438,922.67	\$31,943,788,736.74	\$(453,071,062.12)	\$106,227,973.98	630,513,124.96

- (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 accounting standards that were applied in this legislation and the Budget Act enacted for the 2014 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 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, 2014
PRESENTED UNDER STATUTORY BASIS OF ACCOUNTING ^{(2) (3)}**

Description	Total All Funds
General Investments	
Cash	\$ 630,513,124.96
STIF	2,117,505,905.91
Investments with Treasurer as Trustee	
Short-Term	1,215,036,176.63
Long-Term	28,204,608,674.32
Investments with Others as Trustee	
Short-Term	301,441,934.01
Long-Term	355,300,961.33
Total	\$ 32,824,406,777.16
Reconciliation Between Treasurer & Comptroller ⁽⁴⁾	
Office of the Comptroller	
Cash and STIF June 30, 2014 (Annual Statutory Report)	\$ 3,026,815,863.35
Reporting Adjustment	(0.46)
Cash and Investments with Trustee Fund #14005	438,432,596.80
Cash and Investments with Trustee Fund #21008	13,550,907.68
Cash and Investments with Trustee Fund #21009	154,065,105.74
Cash and Investments with Trustee Fund #21015	248,594,809.63
Cash and Investments with Trustee Fund #21018	81,613,892.87
Cash and Investments with Trustee Fund #31011	(17,968.11)
Total	\$ 3,963,055,207.50
Office of the Treasurer	
Cash	\$ 630,513,124.96
STIF	2,117,505,905.91
STIF/Investment with Treasurer as Trustee	1,215,036,176.63
Total	\$ 3,963,055,207.50

- (1) For a detailed listing of the Civil List Investments for the Fiscal Year Ending June 30, 2014, 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 accounting standards that were applied in this legislation and the Budget Act enacted for the 2014 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 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, 2014**

Fund	Participant	Department	SID	Interest Earned During the Year
12004	Insurance Fund			
	INSURANCE FUND	DOI37500	10010	\$16,685.98
Total				16,685.98
12007	Workers Compensation			
	ADMINISTRATION FUND	WCC42000	10010	38,348.69
Total				38,348.69
12014	Criminal Injuries Compensation Fund			
	VICTIM SERVICES	JUD95000	12047	1,913.68
Total				1,913.68
12015	Vending Facilities Operators Fringe Benefits			
	VENDING FACILITY PROGRAM - FEDERAL INCOME	SDR63500	40012	18.69
Total				
12017	University of Connecticut Operating Fund			
	OPERATING FUND	UOC67000	40001	347,963.68
Total				347,963.68
12018	University Health Center Operating Fund			
	OPERATING FUND	UHC72000	40001	26,782.81
	STUDENT SCHOLARSHIPS AND LOANS	UHC72000	40014	9,764.34
Total				36,547.15
12019	State University Operating Fund			
	STATE UNIVERSITIES	CSU83000	40001	359,498.80 ⁽²⁾
	CENTRAL CONNECTICUT STATE UNIVERSITY	CSU84000		4,147.91
	EASTERN CONNECTICUT STATE UNIVERSITY	CSU85500		4,481.07
Total				368,127.78
12020	Regional Community/Technical Colleges Operating Fund (Tuition Account)			
	BOARD FOR REGIONAL COMM-TECH COLLEGE	CCC78000	40001	121,166.16
Total				121,166.16
12022	University of Connecticut Research Foundation			
	RESEARCH	UOC67000	40001	26,048.02
Total				26,048.02
12031	Employment Security - Administration			
	PENALTY & INTEREST	DOL40000	40213	23,265.55
	TITLE XII EXCESS FUNDS	DOL40000	40214	1,479.82
Total				24,745.37
12037	Tobacco Settlement Fund			
	TOBACCO SETTLEMENT FUND	OPM20000	0	6,281.45
Total				6,281.45
12060	GENERAL FUND			
	RESEARCH IN PLANT SCIENCE	AES48000	30099	1,217.24
	ADMINISTRATION OF GRANTS	AES48000	30116	304.86
	BOARD FOR STATE ACADEMIC AWARD	BOR77700	35186	3,818.77
	CT DISTANCE LEARNING CONSORTIUM	BOR77700	35289	603.31
	GEARUP FEDERAL SCHOLARSHIPS	BOR77700	26247	3,863.19
	CONN STATE LIBRARY ACCOUNT	CSL66000	30082	8.51
	CT LIBRARY & MUSEUM FUND	CSL66000	30093	2,727.75
	HISTORIC DOCUMENTS PRESERVATION ACCOUNT	CSL66000	35150	1,976.98
	RICHARD A. FORESTER MEMORIAL FUND	DCF91000	30084	15.62
	STRIPPER WELL OVERCHARGE	DEP43000	20492	376.48
	NUCLEAR SAFETY EMERGENCY PREPAREDNESS	DEP43000	35411	304.94
	GEARUP SCHOLARSHIP TRUST FUND	DHE66500	22133	3,668.39
	WEISMAN TEACHER SCHOLARSHIP FUND	DHE66500	30405	30.62
	FINANCIAL LITERACY INITIATIVES	DHE66500	30432	822.40

CASH MANAGEMENT DIVISION

**CIVIL LIST FUNDS
INTEREST CREDIT PROGRAM ⁽¹⁾ (Continued)
FISCAL YEAR ENDED JUNE 30, 2014**

Fund	Participant	Agency	SID	Interest Earned During the Year
	PRIVATE OCCUPATIONAL STUDENT PROTECTION FUND	DHE66500	35135	8,756.85
	CONNECTICUT FUTURES ACCOUNT	DHE66500	35151	4.62
	BOARD OF PAROLE'S ASSET FORFEITURE ACCOUNT	DOC88000	20127	66.07
	CORRECTIONAL MEMORIAL FUND	DOC88000	30015	42.20
	CORRECTION GENERAL WELFARE FUND	DOC88000	35137	587.16
	FEDERAL ASSET FORFEITURE	DPS32000	20493	613.04
	ENHANCED 911 TELECOMMUNICATIONS FUND	DPS32000	35190	30,712.21
	CHILDREN'S TRUST FUND	DSS60000	30219	676.80
	BRAIN INJURY PREVENTION AND SERVICE ACCOUNT	DSS60000	35308	178.15
	OFFICE OF TOURISM	ECD46000	30207	64.42
	LAW LIBRARY-DONATED COPIER RECEIPTS	JUD95000	30238	8.23
	CRIMINAL VIOLENCE VICTIMS ESCROW ACCT.	JUD95000	35203	0.37
	CLIENT SECURITY FUND	JUD95000	35205	21,651.07
	SANDY HOOK WORKERS ASSISTANCE FUND	JUD95000	35503	248.66
	DMHAS-COMMISSIONER'S OFFICE PRE-TRIAL ACCOUNT	MHA53000	35166	175.06
	DRUG ASSET FORFEITURE PROGRAM	MIL36000	35112	0.62
	CITIZEN ELECTION FUND RESERVE ACCT	OGA17000	30422	306.85
	CITIZEN ELECTION FUND GRANTS	OGA17000	35339	38,925.81
	JUVENILE ACCOUNTABILITY INCENTIVE BLOCK	OPM20000	21672	1,875.73
	JUSTICE ASSISTANCE GRANT	OPM20000	21921	8,576.17
	JUSTICE ASSISTANCE GRANT	OPM20000	29002	31.34
	INVESTMENT FUND	OTT14000	35101	19,194.06
	SECOND INJURY	OTT14000	35105	2,992.86
	SECOND INJURY STIPULATION & REIMBURSEMENT	OTT14000	35111	4,390.50
	MUNICIPAL PARTICIPATION FUND	OTT14000	35269	10.59
	DIV. OF FINANCE AND INTERNAL OPERATIONS	SDE64000	35351	113.21
	FINANCIAL LITERACY UBS	SDE64000	35358	318.00
	FINANCIAL LITERACY	SDE64000	35380	229.35
	FAUCHTSWANGER FUND	SDR63500	30030	11.93
	FRAUENHOFER FUND	SDR63500	30042	28.80
	MISCELLANEOUS GRANTS	SDR63500	30070	18.86
	SARA BROWN FUND	SDR63500	30092	340.37
	CHARLES PRECOURT MEMORIAL FUND	SDR63500	30104	5.71
	ANN COROTEAU MEMORIAL FUND	SDR63500	30113	6.72
	VENDING FACILITIES PROGRAM -STATE AND LOCAL INCOME	SDR63500	35149	591.09
	HELP AMERICA VOTE	SOS12500	21465	7.70
Total				161,500.24
21009	Bradley International Airport Operations			
	BRADLEY ENTERPRISE FUND	DOT57000	40001	16,688.70
Total				16,688.70
21019	Stadium Facility Enterprise Fund			
	STADIUM ENTERPRISE FUND	OPM20000	0	238.33
Total				238.33
22001	Correction Industries			
	CORRECTIONAL COMMISSARY FUND	DOC88000	42304	4,532.05
Total				4,532.05
31001	State Employees' Retirement System			
	STATE EMPLOYEES RETIREMENT FUND	OSC15000	40001	73,664.31
Total				73,664.31
31006	Teacher's Retirement System			
	TEACHER'S RETIREMENT BOARD OPERATING FUND	TRB77500	0	(146.32)
Total				(146.32)
31008	Municipal Employees Retirement - Fund B			
	MUNICIPAL EMPLOYEES RETIREMENT FUND	OSC15000	40001	8,250.53
Total				8,250.53

CASH MANAGEMENT DIVISION

**CIVIL LIST FUNDS
INTEREST CREDIT PROGRAM ⁽¹⁾ (Continued)
FISCAL YEAR ENDED JUNE 30, 2014**

Fund	Participant	Agency	SID	Interest Earned During the Year
31011	OPEB Fund			
	OPEB OPERATING APPROPRIATIONS	OSC15000	40001	(25.82)
	OPEB RETIREE MED. EMPL. SHARE	OSC15000	43426	10,387.65
	OPEB RETIREE PHARMACY	OSC15000	43427	30,232.78
	OPEB HEALTH INS. EMPLOYEE CONT.	OSC15000	43440	2,820.51
Total				43,415.12
31012	Teacher's Retirement System			
	OPEB TEACHER RETIREMENT	TRB77500	42358	13,135.22
Total				13,135.22
34003	Funds Awaiting Distribution			
	EARLY RETIREE RECOVERIES	OSC15000	43483	1,718.74
Total				1,718.74
35001	Connecticut Health Club Guaranty Fund			
	HEALTH CLUB GUARANTEE FUND	DCP39500	40001	677.03
Total				677.03
35002	Real Estate Guaranty			
	REAL ESTATE GUARANTEE FUND	DCP39500	40001	678.96
Total				678.96
35003	Home Improvement Guaranty Fund			
	HOME IMPROVEMENT GUARANTEE FUND	DCP39500	40001	1,017.42
Total				1,017.42
35006	New Home Construction Guaranty Fund			
	NEW HOME CONSTRUCTION GUARANTY	DCP39500	40001	683.77
Total				683.77
35007	Tobacco and Health Trust Fund			
	TOBACCO HEALTH TRUST FUND	OPM20000	40001	24,816.50
Total				24,816.50
35008	Biomedical Research Trust Fund			
	BIOMEDICAL RESEARCH FUND	DPH48500	0	13,860.91
Total				13,860.91
35009	Endowed Chair Investment Fund			
	ENDOWED CHAIR INVESTMENT FUND	DHE66500	40001	7,829.18
Total				7,829.18
35012	Various Treasurer's Trust Funds			
	IRWIN LEPOW TRUST FUND	CME49500	42354	38.25
	R. GRAEME SMITH	DPS32000	42353	9.70
	FITCH FUND	DVA21000	42356	47.51
	JOHN H. KING	JUD95000	42355	195.46
	WHITE FUND	JUD95000	42357	0.00
Total				290.92
Grand Total				\$1,360,698.26

(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, 2014**

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2014	Status As of 6/30/14
Bank of America	Banking Services	Various	\$ 3,802,343 ⁽²⁾	Active
State Street Bank & Trust	STIF Custodian Fees	Jul-05	308,675	Terminated
Webster Bank	Banking Services	Jun-98	244,334 ⁽²⁾	Active
People's Bank	Banking Services	Mar-97	186,259 ⁽²⁾	Active
Wells Fargo Bank	Banking Services	Feb-97	111,984 ⁽²⁾	Active
JP Morgan Chase Bank	Banking Services	Mar-10	109,940 ⁽²⁾	Active
US Bank National Assn	Bond Trustee & Paying Agent	Jul-06	69,132	Active
Bloomberg Financial LP	Subscription	N/A	41,715	Active
Standard & Poor's Financial Services, LLC	Subscription & Rating	N/A	38,000	Active
Moody's Investors Services	Subscription & Research	N/A	20,600	Active
Fitch Information Inc.	Credit Research	N/A	14,715	Active
iMoney Net Inc.	Subscription	N/A	11,615	Active
Ovations Food Services	Catering Services	N/A	6,191	Active
TOTAL			\$ 4,965,503	

(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, 2014**

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2014	Status As of 6/30/14
A & A Office Systems, Inc.	Photocopier Lease	N/A	\$ 5,910	Active
Audit Services US LLC	Identification & Collection of Property	May-14	277,548	Active
Blackrock Investment Management LLC	Security Commission Expense	May-09	25,583	Active
Connecticut Media Group	Advertisement	N/A	15,340	Active
JP Morgan Chase Bank	P-Card Purchase	Mar-10	14,955	Active
Murphy Security Services LLC	Security Services	N/A	10,585	Active
Republican American	Advertisement	N/A	7,925	Active
The Hartford Courant	Advertisement	N/A	174,675	Active
Xerox State & Local Solutions Inc.	Claims Processing & Database Management	Jul-06	994,136	Active
Xerox State & Local Solutions Inc.	Identification & Collection of Property	Aug-94	239,427	Active
21ST Century Media Newspaper LLC	Advertisement	N/A	6,242	Active
TOTAL			\$ 1,772,326	

(1) Expenses are presented on a cash basis.

UNCLAIMED PROPERTY DIVISION

FIVE YEAR SELECTED FINANCIAL INFORMATION

	Fiscal Year Ended June 30,				
	2014	2013	2012	2011	2010
Gross Receipts ⁽¹⁾	\$ 103,178,699	\$ 115,442,771	\$ 95,986,114	\$ 125,029,194	\$ 222,107,523
Claims Paid ⁽¹⁾	63,772,440	66,859,408	83,544,465	51,946,468	33,408,124
Transfer to Citizens Election Fund ⁽²⁾	11,081,918	10,907,400	10,600,000	18,373,174	18,191,261
Administrative Expenses:					
Salaries & Fringe benefits	3,542,003	3,432,053	3,601,391	3,743,050	3,771,592
Data processing & hardware	1,522,819	1,688,192	1,488,672	2,427,212	2,514,603
All Other	338,740	83,564	376,488	157,153	431,564
Total Disbursements	80,257,920	82,970,617	99,611,016	76,647,057	58,317,144
Excess (Deficiency) of Receipts over Disbursements ⁽³⁾	\$ 22,920,779	\$ 32,472,154	\$ (3,624,902)	\$ 48,382,137	\$ 163,790,379
Approximate Market Value of Securities at Fiscal Year End:					
Total Securities Inventory ⁽¹⁾	\$ 665,152	\$ 967,998	\$ 1,110,823	\$ 1,932,505	\$ 22,097,989
Securities liquidated	\$ 21,227,122	\$ 16,714,382	\$ 23,047,163	\$ 56,953,029	\$ 151,166,311
Number of claims paid	20,897	17,852	18,381	17,933	17,360

- (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, 2014**

Financial institutions	\$19,418,814
Other corporations	31,395,616
Insurance companies	24,900,486
Govern agency/ public authorities	2,856,444
Dividends on securities held	35,991
Estates	116,426
Securities tendered	27,367
Securities sold	21,227,122
Sale of property lists, copying and other charges	14,917
Reciprocal exchange program with other states	3,185,516
Total Gross Receipts	\$103,178,699

SECOND INJURY FUND

**SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 ⁽¹⁾
FISCAL YEAR ENDED JUNE 30, 2014**

Name of Firm	Description of Services	Contract Date	Aggregate Compensation Paid in FY 2014	Status As of 6/30/14
A & A Office Systems Inc.	Photocopier Lease	N/A	\$ 9,414	Active
Advanced Corporate Networking	Computer Equipment	N/A	6,316	Active
Automatic Data Processing Inc.	Check Processing	Apr-06	15,974	Active
Coventry Healthcare Workers	Provider Bill Audit Services	Feb-06	139,196	Active
Iron Mt Off-Site Data Protection	Records Management Services	N/A	7,661	Active
JP Morgan Chase Bank	P-Card Purchases	Mar-10	7,320	Active
MCMC, LLC	IME/Case Mgmt./Job Placement	Jan-06	30,999	Active
Murphy Security Service, LLC	Security Services	N/A	16,466	Active
PCC Technology Group	Interactive Website Design	N/A	200,806	Active
Security Services of Connecticut Inc.	Surveillance Services	Dec-13	27,623	Active
TOTAL			\$ 461,775	

(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 Commission 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.

EXECUTIVE OFFICE

**TOTAL ADMINISTRATION EXPENDITURES
FISCAL YEARS ENDED JUNE 30,**

Fiscal Years Ended June 30,

	2014	%	2013	%	2012	%	2011	%	2010	%
GENERAL FUND										
Personal Services	\$3,133,301	2.96%	\$2,961,675	3.08%	\$3,194,412	3.16%	\$3,072,415	3.13%	\$3,210,145	3.66%
Other Expenses	164,129	0.15%	170,506	0.18%	150,905	0.15%	186,710	0.19%	155,429	0.18%
Capital Equipment	1	0.00%	1	0.00%	1	0.00%	0	0.00%	0	0.00%
TOTAL	3,297,432	3.11%	3,132,182	3.25%	3,345,318	3.31%	3,259,125	3.32%	3,365,574	3.83%
PENSION FUNDS										
Personal Services	4,877,348	4.60%	\$4,431,436	4.60%	\$4,139,994	4.10%	\$4,045,025	4.12%	\$3,992,849	4.55%
Other Expenses	83,204,722	78.51%	74,310,403	77.21%	78,399,179	77.67%	75,849,755	77.24%	65,105,625	74.17%
Capital Equipment	3,279	0.00%	2,879	0.00%	10,167	0.01%	2,709	0.00%	0	0.00%
TOTAL	88,085,349	83.11%	78,744,717	81.82%	82,549,340	81.78%	79,897,489	81.36%	69,098,474	78.72%
SECOND INJURY FUND										
Personal Services	6,631,038	6.26%	\$6,785,278	7.05%	\$6,785,278	6.72%	\$6,476,474	6.59%	\$6,203,425	7.07%
Other Expenses	603,991	0.57%	514,213	0.53%	498,017	0.49%	457,424	0.47%	597,001	0.68%
Capital Equipment	4,591	0.00%	5,398	0.01%	7,776	0.01%	4,895	0.00%	0	0.00%
TOTAL	7,239,619	6.83%	7,304,889	7.59%	7,291,071	7.22%	6,938,793	7.07%	6,800,426	7.75%
UNCLAIMED PROPERTY FUND										
Personal Services	3,133,301	2.96%	\$3,432,053	3.57%	\$3,601,392	3.57%	\$3,743,050	3.81%	\$3,771,596	4.30%
Other Expenses	1,858,608	1.75%	1,768,158	1.84%	1,859,400	1.84%	2,580,964	2.63%	2,946,163	3.36%
Capital Equipment	2,951	0.00%	3,599	0.00%	5,760	0.01%	3,401	0.00%	0	0.00%
TOTAL	4,994,861	4.71%	5,203,809	5.41%	5,466,551	5.42%	6,327,415	6.44%	6,717,759	7.65%
SHORT-TERM INVESTMENT FUND										
Personal Services	1,448,544	1.37%	\$1,224,572	1.27%	\$1,076,978	1.07%	\$1,024,744	1.04%	\$1,007,303	1.15%
Other Expenses	531,720	0.50%	254,844	0.26%	237,120	0.23%	233,068	0.24%	262,867	0.30%
Capital Equipment	984	0.00%	900	0.00%	1,440	0.00%	846	0.00%	0	0.00%
TOTAL	1,981,248	1.87%	1,480,316	1.54%	1,315,538	1.30%	1,258,658	1.28%	1,270,170	1.45%
Other Financing Sources (1)	384,997	0.36%	\$380,818	0.40%	\$972,576	0.96%	\$522,380	0.53%	\$522,873	0.60%
TOTAL AGENCY	105,983,505	100.00%	\$96,246,731	100.00%	\$100,940,394	100.00%	\$98,203,860	100.00%	\$87,775,276	100.00%

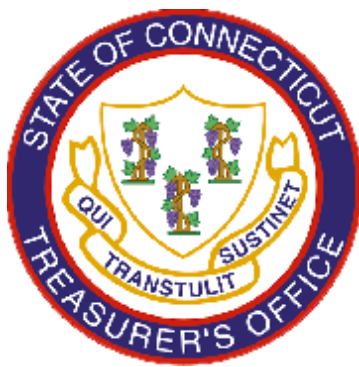
(1) Other Financing Sources include: Clean Water Fund; Special Transportation Fund; and the Capital Equipment Fund.

EXECUTIVE DIVISION

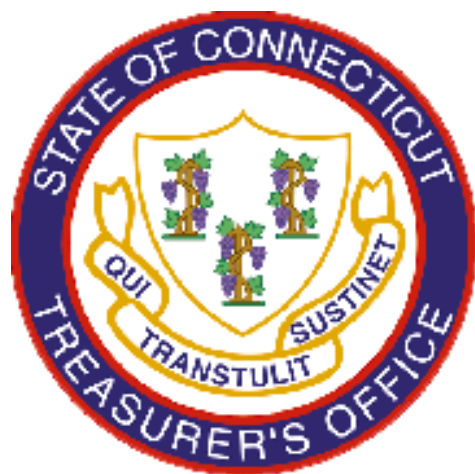
SCHEDULE OF EXPENSES IN EXCESS OF \$5,000 ⁽¹⁾
FISCAL YEAR ENDED JUNE 30, 2014

Name of Firm	Description of Services	Contract Date	Aggregate Compensation		Status
			Paid in FY 2014	As of 6/30/14	
A & A Office Systems Inc.	Photocopier Lease	N/A	\$ 10,635		Active
Advance Corporate Networking	Comupter Equipment	N/A	6,437		Active
Bloomberg Financial LP	On-Line Service	N/A	19,860		Active
Corporate Governance Research	Research Consulting Services.	Mar-07	8,265		Active
Council of Institutional Investors	Dues	N/A	30,000		Active
CERES Incorporated	Dues	N/A	5,000		Active
Express Strategies LLC	Web design, annual report and	Aug-12	6,163		Active
Goverance Holding Company	Subscription	N/A	38,000		Active
Institutional Shareholders Srvs	Proxy Voting Services	Nov-99	7,725		Active
Investor Responsibility Support Services	Subscription	Dec-02	25,000		Active
JP Morgan Chase Bank	Purchasing Card Expenditures	Mar-10	16,712		Active
Murphy Security Service LLC	Premises Security Services	May-10	16,466		Active
National Association Of State Treasurers	Dues	N/A	5,500		Active
PRI Association	Subscription	N/A	12,532		Active
West Group	Subscription	N/A	32,037		Active
TOTAL			\$ 240,332		

(1) Expenses are presented on a cash basis.



Statutory
Appendix



DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING⁽¹⁾ - STATUTORY BASIS

JUNE 30, 2014

Issue Date	Outstanding June 30, 2013	FY 2014			Outstanding June 30, 2014	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2014 ⁽²⁾	Interest Paid During FY 2014 ⁽³⁾
		Issued	Retired	Refunded or Defeased							
BOND TYPE: GENERAL OBLIGATION - TAX SUPPORTED											
11/22/1994	\$ 3,799,595	\$ -	\$ 3,799,595	\$ -	\$ -				12/15/2013	\$ -	\$ 8,822,406
03/28/1996	1,595,930	-	348,126	-	1,247,804	5.030	5.030	11/01/2014	05/01/2018	-	75,913
05/14/1997	10,000,000	-	10,000,000	-	-				05/15/2014	-	29,826
09/01/1997	7,212,219	-	969,864	-	6,242,355	5.081	5.081	03/01/2015	03/01/2020	-	366,453
09/30/1997	1,025,000	-	205,000	-	820,000	5.081	5.081	03/01/2015	03/01/2020	-	52,080
08/01/1998	⁽⁴⁾ 3,015,000	-	3,015,000	-	-				12/15/2013	-	71,606
05/01/1999	9,156,240	-	835,920	-	8,320,320	4.633	4.633	09/01/2014	09/01/2022	-	404,845
05/06/1999	1,760,000	-	315,000	-	1,445,000	4.633	4.633	09/01/2014	09/01/2022	-	74,244
06/15/1999	4,675,000	-	4,675,000	-	-				06/15/2014	-	245,438
06/12/2001	1,485,000	-	265,000	-	1,220,000	4.650	4.650	10/01/2014	10/01/2022	-	65,798
06/12/2001	5,751,503	-	521,496	-	5,230,007	4.652	4.652	10/01/2014	10/01/2022	-	255,419
06/15/2001	134,455,000	-	48,205,000	-	86,250,000	5.500	5.500	12/15/2014	12/15/2016	-	6,069,387
10/01/2003	10,000,000	-	10,000,000	-	-				08/15/2013	-	212,500
11/13/2003	10,525,000	-	10,525,000	-	-				10/15/2013	-	233,047
03/01/2004	15,000,000	-	15,000,000	-	-				03/01/2014	-	684,040
04/08/2004	748,785,000	-	100,505,000	648,280,000	-				06/04/2014	-	36,074,306
05/04/2004	30,000,000	-	30,000,000	-	-				04/01/2014	-	1,454,606
12/22/2004	60,000,000	-	15,000,000	-	45,000,000	3.500	5.000	12/01/2014	12/01/2014	-	2,561,085
03/16/2005	⁽⁵⁾ 280,000,000	-	-	-	280,000,000	4.500	4.500	03/01/2016	03/01/2023	-	12,064,553
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	189,000,000	-	15,750,000	126,000,000	47,250,000	4.000	5.000	06/01/2015	06/01/2019	-	7,938,000
06/01/2005	12,000,000	-	6,000,000	-	6,000,000	4.450	4.450	06/01/2015	06/01/2015	-	534,000
11/15/2005	195,000,000	-	15,000,000	120,000,000	60,000,000	4.375	5.000	11/15/2014	11/15/2018	-	8,872,500
03/09/2006	188,500,000	-	14,500,000	-	174,000,000	3.700	5.000	12/15/2014	12/15/2025	-	8,301,832
05/01/2006	130,000,000	-	10,000,000	-	120,000,000	4.000	5.000	05/01/2015	05/01/2026	-	5,982,313
06/01/2006	152,750,000	-	11,750,000	-	141,000,000	4.000	5.000	06/01/2015	06/01/2026	-	7,399,935
11/09/2006	270,000,000	-	30,000,000	-	240,000,000	4.000	5.000	11/01/2014	11/01/2026	-	12,295,250
11/09/2006	307,005,000	-	-	-	307,005,000	4.000	5.000	12/15/2015	12/15/2022	-	14,895,375
12/14/2006	190,000,000	-	10,000,000	-	180,000,000	3.500	5.000	12/01/2014	12/01/2021	-	8,817,856
05/10/2007	135,190,000	-	10,000,000	-	125,190,000	4.000	5.000	05/01/2015	05/01/2027	-	6,059,525
05/10/2007	167,270,000	-	20,085,000	-	147,185,000	4.000	5.000	05/01/2015	05/01/2022	-	8,243,500
06/14/2007	169,310,000	-	11,750,000	-	157,560,000	4.000	5.000	06/01/2015	06/01/2027	-	7,975,627
12/19/2007	37,310,000	-	18,850,000	-	18,460,000	5.000	5.000	03/15/2015	03/15/2015	-	1,865,500
12/19/2007	225,000,000	-	15,000,000	-	210,000,000	3.500	5.000	12/01/2014	12/01/2027	-	9,924,225
06/26/2008	297,935,000	-	17,935,000	-	280,000,000	3.300	5.000	04/15/2015	04/15/2028	-	13,632,079
06/26/2008	293,815,000	-	21,515,000	-	272,300,000	3.500	5.000	04/15/2015	04/15/2028	-	14,302,910
11/06/2008	401,830,000	-	22,420,000	-	379,410,000	3.900	5.750	11/01/2014	11/01/2028	-	19,588,259
02/26/2009	336,000,000	-	15,000,000	-	321,000,000	2.750	5.000	02/15/2015	02/15/2029	-	15,318,465

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING⁽¹⁾ - STATUTORY BASIS (Continued)

JUNE 30, 2014

Issue Date	Outstanding June 30, 2013	FY 2014			Outstanding June 30, 2014	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2014 ⁽²⁾	Interest Paid During FY 2014 ⁽³⁾
		Issued	Retired	Refunded or Defeased							
03/26/2009	33,365,000	-	-	-	33,365,000	3.000	5.000	03/01/2015	03/01/2018	-	1,225,950
03/26/2009	106,170,000	-	15,580,000	-	90,590,000	3.000	5.000	03/01/2015	03/01/2023	-	4,690,550
03/26/2009	48,000,000	-	8,000,000	-	40,000,000	5.460	5.460	03/01/2015	03/01/2019	-	2,620,800
12/03/2009	55,250,000	-	55,250,000	-	-	-	-	-	01/01/2014	-	2,762,500
12/23/2009	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	4.407	5.257	04/01/2019	04/01/2026	-	8,876,978
04/28/2010	105,000,000	-	-	-	105,000,000	2.500	5.000	04/01/2015	04/01/2018	-	4,306,688
06/23/2010	143,750,000	-	-	-	143,750,000	2.000	5.000	12/01/2014	12/01/2018	-	5,971,013
06/23/2010	241,485,000	-	60,530,000	-	180,955,000	3.000	5.000	12/01/2014	12/01/2021	-	10,058,425
10/19/2010	46,535,000	-	-	-	46,535,000	2.000	5.000	10/01/2014	10/01/2022	-	2,028,650
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	269,485,000	-	30,000,000	-	239,485,000	2.580	3.000	05/15/2015	05/15/2018	-	1,971,789
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	42,645,000	-	35,000,000	-	7,645,000	2.120	2.120	05/15/2015	05/15/2015	-	662,574
05/31/2011	75,000,000	-	-	-	75,000,000	2.400	2.850	05/15/2016	05/15/2019	-	644,466
11/14/2011	83,505,000	-	22,860,000	-	60,645,000	5.000	5.000	11/01/2014	11/01/2019	-	3,603,750
11/14/2011	522,500,000	-	27,500,000	-	495,000,000	1.500	5.000	11/01/2014	11/01/2031	-	23,209,050
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	74,700,000	-	8,300,000	-	66,400,000	0.672	2.934	04/15/2015	04/15/2022	-	1,339,952
04/26/2012	188,800,000	-	23,600,000	-	165,200,000	2.250	3.100	04/15/2015	04/15/2020	-	1,591,500
06/29/2012	520,505,000	-	11,615,000	-	508,890,000	1.750	5.000	06/01/2015	06/01/2025	-	25,105,075
10/04/2012	58,415,000	-	39,035,000	-	19,380,000	3.000	4.000	09/15/2014	09/15/2015	-	943,325
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	219,865,000	-	25,000,000	-	194,865,000	2.580	3.270	09/15/2014	09/15/2024	-	1,201,386
11/16/2012	224,785,000	-	-	-	224,785,000	0.465	2.551	10/15/2014	10/15/2022	-	3,548,765
11/28/2012	175,215,000	-	25,000,000	-	150,215,000	3.000	5.000	10/15/2022	10/15/2032	-	6,775,350
03/28/2013	155,430,000	-	-	-	155,430,000	2.000	5.000	03/01/2019	03/01/2033	-	5,788,390
03/28/2013	244,570,000	-	20,000,000	-	224,570,000	2.510	3.360	03/01/2015	03/01/2025	-	1,496,414
08/07/2013	-	200,000,000	-	-	200,000,000	2.000	5.000	07/15/2014	07/15/2033	-	4,185,903
08/29/2013	-	115,000,000	-	-	115,000,000	2.480	3.410	08/15/2014	08/15/2020	-	644,115
08/29/2013	-	285,000,000	-	-	285,000,000	1.000	5.000	08/15/2014	08/15/2033	-	6,069,559
08/29/2013	-	100,000,000	-	-	100,000,000	0.281	3.817	08/15/2014	08/15/2023	-	1,159,169
03/26/2014	-	278,000,000	-	-	278,000,000	2.500	5.000	03/01/2020	03/01/2034	-	-
03/26/2014	-	75,000,000	-	-	75,000,000	1.500	4.000	03/01/2015	03/01/2019	-	-
03/26/2014	-	22,000,000	-	-	22,000,000	2.450	2.870	03/01/2020	03/01/2023	-	37,033
03/26/2014	-	25,000,000	-	-	25,000,000	3.010	3.190	03/01/2017	03/01/2019	-	22,982
06/04/2014	-	822,225,000	-	-	822,225,000	1.000	5.000	12/15/2014	12/15/2025	-	-
06/26/2014	-	200,000,000	-	-	200,000,000	2.000	5.000	06/15/2015	06/15/2034	-	-
SUBTOTAL	\$10,859,465,487	\$ 2,122,225,000	\$927,010,001	\$894,280,000	\$11,160,400,486					\$ -	\$ 474,380,711

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING⁽¹⁾ - STATUTORY BASIS (Continued)

JUNE 30, 2014

Issue Date	Outstanding June 30, 2013	FY 2014			Outstanding June 30, 2014	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2014 ⁽²⁾	Interest Paid During FY 2014 ⁽³⁾
		Issued	Retired	Refunded or Defeased							
BODY TYPE: GENERAL OBLIGATION TEACHERS' RETIREMENT FUND BONDS⁽⁶⁾											
04/30/2008	\$2,089,675,000	\$ -	\$18,150,000	\$ -	\$2,071,525,000	4.400	5.850	03/15/2015	03/15/2032	\$ -	\$120,857,076
04/30/2008	176,313,271	-	4,050,017	-	172,263,254	5.886	6.270	03/15/2018	03/15/2025	79,062,293	1,489,983
04/30/2008	10,590,000	-	-	-	10,590,000	5.000	5.000	03/15/2028	03/15/2028	-	529,500
SUBTOTAL	\$ 2,276,578,271	\$ -	\$ 22,200,017	\$ -	\$ 2,254,378,254					\$ 79,062,293	\$ 122,876,559
BOND TYPE: ECONOMIC RECOVERY NOTES											
12/03/2009	\$ 573,365,000	\$ -	\$ -	\$306,885,000	\$ 266,480,000	5.000	5.000	01/01/2015	01/01/2016	\$ -	\$19,523,581
10/24/2013	-	80,320,000	-	-	80,320,000	3.000	3.000	01/01/2016	07/01/2016	-	87,472
10/24/2013	-	77,475,000	-	-	77,475,000	3.000	3.000	01/01/2017	01/01/2017	-	84,373
10/24/2013	-	78,250,000	-	-	78,250,000	3.000	3.000	07/01/2017	07/01/2017	-	85,217
10/24/2013	-	78,250,000	-	-	78,250,000	3.000	3.000	01/01/2018	01/01/2018	-	85,217
SUBTOTAL	\$ 573,365,000	\$ 314,295,000	\$ -	\$306,885,000	\$ 580,775,000					\$ -	\$ 19,865,861
BODY TYPE: GAAP CONVERSION BONDS⁽⁷⁾											
10/24/2013	\$ -	\$ 560,430,000	\$ -	\$ -	\$ 560,430,000	1.000	5.000	10/15/2015	10/15/2027	\$ -	\$12,464,487
SUBTOTAL	\$ -	\$ 560,430,000	\$ -	\$ -	\$ 560,430,000					\$ -	\$ 12,464,487
BOND TYPE: SPECIAL TAX OBLIGATION											
04/15/1998	\$ 39,845,000	\$ -	\$39,845,000	\$ -	\$ -				10/01/2013	\$ -	\$ 1,095,738
09/15/1998	13,965,000	-	13,965,000	-	-				11/01/2013	-	384,038
11/15/2003	9,230,000	-	9,230,000	-	-				01/01/2014	-	441,356
11/15/2004	28,145,000	-	8,930,000	-	19,215,000	3.500	5.000	07/01/2014	07/01/2015	-	1,155,050
11/15/2004	61,270,000	-	3,120,000	-	58,150,000	3.750	5.250	07/01/2015	07/01/2019	-	3,070,887
12/15/2005	189,435,000	-	10,655,000	-	178,780,000	4.500	5.000	07/01/2014	07/01/2025	-	8,902,900
10/25/2007	206,575,000	-	9,830,000	-	196,745,000	3.750	5.000	08/01/2014	08/01/2027	-	9,532,145
10/01/2008	78,700,000	-	7,590,000	-	71,110,000	3.000	5.000	02/01/2015	02/01/2022	-	3,221,350
12/10/2008	260,100,000	-	11,105,000	-	248,995,000	4.000	5.000	11/01/2014	11/01/2028	-	12,399,406
01/29/2009	382,310,000	-	54,165,000	-	328,145,000	2.750	5.000	02/01/2015	02/01/2022	-	17,527,450
11/10/2009	146,055,000	-	18,105,000	-	127,950,000	3.000	5.000	12/01/2014	12/01/2029	-	5,693,824
11/10/2009	15,340,000	-	-	-	15,340,000	5.000	5.000	12/01/2014	12/01/2014	-	767,000
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	162,420,000	-	19,870,000	-	142,550,000	5.000	5.000	11/01/2014	11/01/2019	-	7,624,250
11/10/2010	400,430,000	-	-	-	400,430,000	4.126	5.459	11/01/2020	11/01/2030	-	20,678,185
11/10/2010	126,635,000	-	20,920,000	-	105,715,000	3.000	5.000	11/01/2014	11/01/2022	-	4,763,000
12/15/2011	221,230,000	-	7,175,000	-	214,055,000	3.375	5.000	12/01/2014	12/01/2031	-	10,674,537
12/15/2011	188,770,000	-	30,930,000	-	157,840,000	2.000	5.000	12/01/2014	12/01/2022	-	7,489,900
12/21/2012	502,290,000	-	25,180,000	-	477,110,000	3.000	5.000	01/01/2015	01/01/2033	-	24,189,778
12/21/2012	125,100,000	-	-	-	125,100,000	5.000	5.000	01/01/2015	01/01/2025	-	6,428,750
11/21/2013	-	600,000,000	-	-	600,000,000	2.000	5.000	10/01/2014	10/01/2033	-	10,437,962
SUBTOTAL	\$ 3,461,875,000	\$ 600,000,000	\$ 290,615,000	\$ -	\$ 3,771,260,000					\$ -	\$ 173,140,857

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING⁽¹⁾ - STATUTORY BASIS (Continued)

JUNE 30, 2014

Issue Date	Outstanding June 30, 2013	FY 2014			Outstanding June 30, 2014	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2014 ⁽²⁾	Interest Paid During FY 2014 ⁽³⁾
		Issued	Retired	Refunded or Defeased							
BOND TYPE: BRADLEY INTERNATIONAL AIRPORT											
03/31/2011	\$ 84,935,000	\$ -	\$ 3,575,000	\$ -	\$ 81,360,000	4.393	4.393	10/01/2014	10/01/2031	\$ -	\$ 3,421,804
03/31/2011	56,620,000	-	2,380,000	-	54,240,000	4.463	4.463	10/01/2014	10/01/2031	-	2,320,356
SUBTOTAL	\$ 141,555,000	\$ -	\$ 5,955,000	\$ -	\$ 135,600,000					\$ -	\$ 5,742,160
BOND TYPE: CLEAN WATER FUND											
07/01/2003	\$ 5,295,000	\$ -	\$ 5,295,000	\$ -	\$ -				10/01/2013	\$ -	\$ 122,593
07/01/2003	58,225,000	-	17,290,000	-	40,935,000	5.000	5.000	10/01/2014	10/01/2015	-	2,479,000
07/27/2006	28,310,000	-	6,985,000	-	21,325,000	4.000	4.200	07/01/2014	07/01/2016	-	1,016,366
08/06/2008	77,125,000	-	17,025,000	-	60,100,000	3.250	5.000	02/01/2015	02/01/2018	-	3,467,125
06/25/2009	180,305,000	-	8,745,000	-	171,560,000	3.500	5.000	06/01/2015	06/01/2027	-	8,203,400
06/25/2009	5,760,000	-	4,235,000	-	1,525,000	4.250	5.000	06/01/2015	06/01/2015	-	276,825
07/30/2009	93,265,000	-	7,755,000	-	85,510,000	3.000	5.000	10/01/2014	10/01/2022	-	3,972,363
03/24/2011	173,935,000	-	6,000,000	-	167,935,000	3.000	5.000	01/01/2015	01/01/2028	-	7,572,904
02/21/2013	124,935,000	-	3,000,000	-	121,935,000	2.000	5.000	03/01/2015	03/01/2031	-	5,834,026
02/21/2013	37,235,000	-	-	-	37,235,000	2.000	5.000	07/01/2019	07/01/2027	-	1,343,387
SUBTOTAL	\$ 784,390,000	\$ -	\$ 76,330,000	\$ -	\$ 708,060,000					\$ -	\$ 34,287,989
BOND TYPE: UCONN 2000⁽⁶⁾											
01/15/2004	\$ 22,160,000	\$ -	\$ 4,890,000	\$ 17,270,000	\$ -				01/15/2014	\$ -	\$ 586,338
01/15/2004	120,570,000	-	31,375,000	89,195,000	-				04/22/2014	-	6,023,605
03/16/2005	55,630,000	-	4,895,000	45,840,000	4,895,000	3.750	5.000	02/15/2015	02/15/2015	-	780,500
03/15/2006	50,130,000	-	3,860,000	-	46,270,000	3.750	5.000	02/15/2015	02/15/2026	-	2,314,831
03/15/2006	57,780,000	-	2,745,000	-	55,035,000	5.000	5.000	02/15/2015	02/15/2020	-	2,882,137
04/12/2007	58,800,000	-	4,200,000	-	54,600,000	3.700	5.000	04/01/2015	04/01/2027	-	2,398,600
04/12/2007	46,030,000	-	-	-	46,030,000	5.000	5.000	04/01/2016	04/01/2022	-	2,301,500
04/16/2009	115,465,000	-	7,350,000	-	108,115,000	3.500	5.000	02/15/2015	02/15/2029	-	5,133,049
05/25/2010	82,540,000	-	4,860,000	-	77,680,000	3.000	5.000	02/15/2015	02/15/2030	-	3,783,321
05/25/2010	26,410,000	-	2,480,000	-	23,930,000	2.250	5.000	02/15/2015	02/15/2021	-	1,140,125
12/08/2011	31,525,000	-	2,105,000	-	29,420,000	2.000	5.000	02/15/2015	02/15/2023	-	1,481,200
12/08/2011	161,755,000	-	8,990,000	-	152,765,000	2.000	5.000	02/15/2015	02/15/2031	-	7,495,275
07/31/2013	-	172,660,000	-	-	172,660,000	2.000	5.000	08/15/2014	08/15/2033	-	4,218,798
07/31/2013	-	51,250,000	655,000	-	50,595,000	2.000	5.000	02/15/2015	02/15/2024	-	1,280,094
04/22/2014	-	109,050,000	-	-	109,050,000	2.000	5.000	02/15/2015	02/15/2034	-	-
04/22/2014	-	92,940,000	-	-	92,940,000	2.000	5.000	02/15/2015	02/15/2025	-	-
SUBTOTAL	\$ 828,795,000	\$ 425,900,000	\$ 78,405,000	\$ 152,305,000	\$ 1,023,985,000					\$ -	\$ 41,819,373
BOND TYPE: CDA INCREMENT FINANCING⁽⁶⁾											
10/05/2004	\$ 5,800,000	\$ -	\$ 390,000	\$ -	\$ 5,410,000	3.600	5.000	10/15/2014	10/15/2024	\$ -	\$ 238,014
10/05/2004	2,175,000	-	700,000	-	1,475,000	3.400	3.500	12/15/2014	12/15/2015	-	62,450
10/05/2004	5,130,000	-	1,200,000	-	3,930,000	5.125	5.125	05/01/2015	05/01/2017	-	261,413
12/20/2006	6,260,000	-	680,000	-	5,580,000	3.750	4.000	12/15/2014	12/15/2020	-	231,872

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING⁽¹⁾ - STATUTORY BASIS (Continued)

JUNE 30, 2014

Issue Date	Outstanding June 30, 2013	FY 2014			Outstanding June 30, 2014	Low Rate (%)	High Rate (%)	Next Maturity Date	Last Maturity Date	Interest Accreted Through FY 2014 ⁽²⁾	Interest Paid During FY 2014 ⁽³⁾
		Issued	Retired	Refunded or Defeased							
05/22/2014	-	18,885,000	-	-	18,885,000	3.500	5.000	04/15/2015	04/15/2034	-	-
SUBTOTAL	\$ 19,365,000	\$ 18,885,000	\$ 2,970,000	\$ -	\$ 35,280,000					\$ -	\$ 793,749
BOND TYPE: CDA GOVERNMENTAL LEASE REVENUE⁽¹⁰⁾											
12/15/1994	\$ 800,000	\$ -	\$ 800,000	\$ -	\$ -				06/15/2014	\$ -	\$ 52,800
SUBTOTAL	\$ 800,000	\$ -	\$ 800,000	\$ -	\$ -					\$ -	\$ 52,800
BOND TYPE: CHEFA CHILDCARE FACILITIES PROGRAM⁽¹¹⁾											
12/20/2006	\$ 17,680,000	\$ -	\$ 410,000	\$ -	\$ 17,270,000	4.000	5.000	07/01/2014	07/01/2036	\$ -	\$ 863,000
10/23/2008	16,105,000	-	275,000	-	15,830,000	6.000	6.000	07/01/2014	07/01/2038	-	955,644
08/19/2011	27,370,000	-	1,290,000	-	26,080,000	3.000	5.000	07/01/2014	07/01/2031	-	1,258,175
SUBTOTAL	\$ 61,155,000	\$ -	\$ 1,975,000	\$ -	\$ 59,180,000					\$ -	\$ 3,076,819
BOND TYPE: JUVENILE TRAINING SCHOOL⁽¹²⁾											
02/15/2001	\$ 14,655,000	\$ -	\$ 520,000	\$ -	\$ 14,135,000	4.750	5.250	12/15/2014	12/15/2030	\$ -	\$ 711,125
SUBTOTAL	\$ 14,655,000	\$ -	\$ 520,000	\$ -	\$ 14,135,000					\$ -	\$ 711,125
BOND TYPE: BRADLEY INTERNATIONAL PARKING OPERATIONS											
03/15/2000	\$ 37,395,000	\$ -	\$ 2,120,000	\$ -	\$ 35,275,000	6.500	6.600	07/01/2014	07/01/2024	\$ -	\$ 2,384,105
SUBTOTAL	\$ 37,395,000	\$ -	\$ 2,120,000	\$ -	\$ 35,275,000					\$ -	\$ 2,384,105
BOND TYPE: CHFA SPECIAL NEEDS HOUSING BONDS⁽¹³⁾											
09/13/2007	\$ 21,165,000	\$ -	\$ 1,085,000	\$ -	\$ 20,080,000	4.500	5.000	06/15/2015	06/15/2027	\$ -	\$ 1,022,287
05/19/2009	33,285,000	-	1,525,000	-	31,760,000	3.125	5.000	06/15/2015	06/15/2029	-	1,392,875
10/19/2010	15,685,000	-	305,000	-	15,380,000	4.000	5.000	06/15/2015	06/15/2031	-	696,200
10/19/2010	350,000	-	350,000	-	-				06/15/2014	-	6,930
SUBTOTAL	\$ 70,485,000	\$ -	\$ 3,265,000	\$ -	\$ 67,220,000					\$ -	\$ 3,118,292
BOND TYPE: CCEDA BONDS⁽¹⁴⁾											
07/21/2004	\$ 5,080,000	\$ -	\$ 1,600,000	\$ -	\$ 3,480,000	4.000	5.000	06/15/2015	06/15/2016	\$ -	\$ 223,750
07/21/2004	57,470,000	-	-	-	57,470,000	3.960	3.960	06/15/2017	06/15/2034	-	2,132,336
08/04/2005	11,740,000	-	710,000	-	11,030,000	5.000	5.000	06/15/2015	06/15/2029	-	587,000
12/16/2008	20,515,000	-	525,000	-	19,990,000	4.000	5.750	06/15/2015	06/15/2034	-	1,091,662
SUBTOTAL	\$ 94,805,000	\$ -	\$ 2,835,000	\$ -	\$ 91,970,000					\$ -	\$ 4,034,748
BOND TYPE: CHFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM⁽¹⁵⁾											
10/19/2010	\$ 26,895,000	\$ -	\$ 1,160,000	\$ -	\$ 25,735,000	2.380	5.350	06/15/2015	06/15/2030	\$ -	\$ 1,205,725
11/14/2011	19,215,000	-	790,000	-	18,425,000	1.690	5.000	06/15/2015	06/15/2031	-	815,610
SUBTOTAL	\$ 46,110,000	\$ -	\$ 1,950,000	\$ -	\$ 44,160,000					\$ -	\$ 2,021,335
GRAND TOTAL	\$19,270,793,758	\$ 4,041,735,000	\$1,416,950,018	\$1,353,470,000	\$20,542,108,740					\$ 79,062,293	\$900,770,970

DEBT MANAGEMENT DIVISION

SCHEDULE OF DEBT OUTSTANDING⁽¹⁾ - STATUTORY BASIS (Continued)

JUNE 30, 2014

- (1) Includes all outstanding debt issued by the State of Connecticut as of June 30, 2014.
- (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, 2014.
- (3) Includes interest rate swap payments and variable rate bond fees.
- (4) Debt outstanding at June 30, 2013 included \$3,015,000 in Certificates of Participation for the Middletown Courthouse, which was not debt of the State. However, the State was obligated to pay a base rent under a lease for the courthouse, subject to the annual appropriation of funds or the availability of other funds. The base rent was appropriated as debt service. The Certificates of Participation were included on the Treasurer's Debt Management System for control purposes. The Certificates were paid in full on December 15, 2013.
- (5) During fiscal year 2012, the State reoffered \$280 million of 2005 Series A bonds for the purpose of converting the interest rate mode from variable rate demand bonds to SIFMA Index bonds.
- (6) 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.
- (7) 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.
- (8) 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.
- (9) 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.
- (10) The Connecticut Development Authority (CDA) issued its lease revenue bonds for the New Britain Government Center. The State was obligated to pay base rent subject to the annual appropriation of funds. These payments were budgeted in the Treasurer's debt service budget as lease payments. The bonds were paid in full on June 15, 2014. The CDA was merged into Connecticut Innovations (CI) effective July 1, 2012.
- (11) 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.
- (12) A lease purchase financing of the heating and cooling plant at the Juvenile Training School in Middletown.
- (13) 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.
- (14) The Capital City Economic Development Authority (CCEDA) Bonds were issued to provide funding for 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 CCEDA, the State Treasurer, and the Secretary of the Office of Policy and Management. CCEDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues. CCEDA was re-named Capital Region Development Authority in 2012.
- (15) 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 2014 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, 2014

CORE Fund No.	Name	Inception to Date		Principal Outstanding June 30, 2014	Interest Accreted Through Fiscal Year 2014 ⁽²⁾	Outstanding Incl. Accreted Interest June 30, 2014
		Amount Authorized	Amount Issued			
BOND TYPE: GENERAL OBLIGATION-TAX SUPPORTED						
12033	ECONOMIC DEVELOPMENT FUND	\$177,430,000	\$117,430,000	\$8,000,000	\$ -	\$8,000,000
12034	ECONOMIC DEVELOPMENT ASSISTANCE	1,236,800,000	884,131,117	219,456,825	-	219,456,825
12050	LOCAL CAPITAL IMPROVEMENT FUND	735,000,000	697,498,000	144,633,000	-	144,633,000
12051	CAPITAL EQUIPMENT PURCHASE FUND	447,540,000	389,724,428	56,011,000	-	56,011,000
12052	GRANTS TO LOCAL GOVTS. & OTHERS	3,109,107,715	1,891,157,704	475,910,432	-	475,910,432
12059	HARTFORD REDEVELOPMENT	491,880,000	475,810,000	10,000,000	-	10,000,000
12063	HOUSING BONDS	789,382,689	636,340,235	116,240,000	-	116,240,000
12066	DECD - HOUSING TRUST FUND	190,000,000	80,000,000	37,645,000	-	37,645,000
12067	CT BIOSCIENCE COLLABORATION PROGRAM	179,003,000	129,039,000	129,039,000	-	129,039,000
13009	SCHOOL CONSTRUCTION	1,844,739,500	1,841,939,500	2,800,000	-	2,800,000
13010	MAGNET SCHOOLS	8,250,230,770	7,598,930,719	4,731,766,025	-	4,731,766,025
13015	AGRICULTURAL LAND PRESERVATION	160,250,000	114,498,716	31,000,000	-	31,000,000
13019	GRANTS FOR URBAN ACTION	1,309,487,544	1,171,250,877	222,674,375	-	222,674,375
13048	CSUS 2020 FUND INFRASTRUCTURE PROGRAM	570,000,000	369,671,561	277,391,561	-	277,391,561
17001	GENERAL STATE PURPOSES	305,022,094	303,974,512	46,407,173	-	46,407,173
17011	GENERAL STATE PURPOSES	580,110,320	551,032,612	86,554,197	-	86,554,197
17021	GENERAL STATE PURPOSES	444,856,502	439,134,446	143,522,973	-	143,522,973
17041	GENERAL STATE PURPOSES	251,081,385	249,332,976	141,868,546	-	141,868,546
17051	GENERAL STATE PURPOSES	182,191,116	175,929,116	83,079,542	-	83,079,542
17061	GENERAL STATE PURPOSES	169,913,560	168,636,646	159,571,355	-	159,571,355
17071	GENERAL STATE PURPOSES	358,655,101	281,042,232	174,155,514	-	174,155,514
17081	GENERAL STATE PURPOSES	236,624,591	176,790,375	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	7,220,449	7,220,449	-	7,220,449
17111	GENERAL STATE PURPOSES	79,628,578	42,034,147	42,034,147	-	42,034,147
17121	GENERAL STATE PURPOSES	328,146,556	144,534,909	139,956,439	-	139,956,439
17131	GENERAL STATE PURPOSES	626,348,120	225,030,196	225,030,196	-	225,030,196
17141	GENERAL STATE PURPOSES	324,937,522	19,066,297	19,066,297	-	19,066,297
17861	CAPITAL IMPROVEMENTS	119,859,926	119,463,359	8,210,000	-	8,210,000
17891	GENERAL STATE PURPOSES	416,558,089	414,478,686	3,040,000	-	3,040,000
17911	GENERAL STATE PURPOSES	145,616,930	142,314,892	250,000	-	250,000
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
21014	CLEAN WATER FUND	1,222,632,510	862,348,884	197,370,486	-	197,370,486
59999	GO BOND ANTICIPATION NOTES ROLLOVER FUND ⁽³⁾⁽⁴⁾	-	934,330,000	467,645,000	-	467,645,000
	GO REFUNDING BONDS SERIES 2001 C ⁽⁴⁾	-	504,575,000	86,250,000	-	86,250,000
	GO REFUNDING BONDS SERIES 2005 B ⁽⁴⁾	-	335,550,000	331,480,000	-	331,480,000
	GO REFUNDING BONDS SERIES 2006 E ⁽⁴⁾	-	308,400,000	307,005,000	-	307,005,000
	GO REFUNDING BONDS SERIES 2007 B ⁽⁴⁾	-	173,300,000	147,185,000	-	147,185,000
	GO REFUNDING BONDS SERIES 2007 E ⁽⁴⁾	-	181,085,000	18,460,000	-	18,460,000
	GO REFUNDING BONDS SERIES 2009 C ⁽⁴⁾	-	74,215,000	33,365,000	-	33,365,000

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING⁽¹⁾ (Continued)

JUNE 30, 2014

CORE Fund No.	Name	Inception to Date		Principal Outstanding June 30, 2014	Interest Accreted Through Fiscal Year 2014 ⁽²⁾	Outstanding Incl. Accreted Interest June 30, 2014
		Amount Authorized	Amount Issued			
	GO REFUNDING BONDD SERIES 2010 C ⁽⁴⁾	-	258,235,000	180,955,000	-	180,955,000
	GO REFUNDING BONDS SERIES 2010 D ⁽⁴⁾	-	47,035,000	46,535,000	-	46,535,000
	GO REFUNDING BONDS SERIES 2011 E ⁽⁴⁾	-	150,820,000	60,645,000	-	60,645,000
	GO REFUNDING BONDS SERIES 2012 C ⁽⁴⁾	-	523,245,000	508,890,000	-	508,890,000
	GO REFUNDING BONDS SERIES 2012 F ⁽⁴⁾	-	69,790,000	19,380,000	-	19,380,000
	GO REFUNDING BONDS SERIES 2014 C ⁽⁴⁾	-	822,225,000	822,225,000	-	822,225,000
SUBTOTAL		\$25,777,000,345	\$25,564,320,446	\$11,160,400,486	\$ -	\$11,160,400,486
BOND TYPE: GENERAL OBLIGATION TEACHERS' RETIREMENT FUND BONDS⁽⁵⁾						
31006	TEACHER'S RETIREMENT FUND					
	GO BONDS TAXABLE SERIES 2008	\$2,276,578,271	\$2,276,578,271	\$2,254,378,254	\$79,062,293	\$2,333,440,547
SUBTOTAL		\$2,276,578,271	\$2,276,578,271	\$2,254,378,254	\$79,062,293	\$2,333,440,547
BOND TYPE: ECONOMIC RECOVERY NOTES						
	ECONOMIC RECOVERY NOTES	\$2,257,523,504	\$2,198,440,000	\$266,480,000	\$ -	\$266,480,000
	ECONOMIC RECOVERY NOTES REFUNDING 2013 ⁽⁴⁾	-	314,295,000	314,295,000	-	314,295,000
SUBTOTAL		\$2,257,523,504	\$2,512,735,000	\$580,775,000	\$ -	\$580,775,000
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	\$11,862,384,565	\$8,620,170,752	\$2,909,860,000	\$ -	\$2,909,860,000
14005	SPECIAL TAX OBLIGATION REFUNDING BONDS ⁽⁴⁾	-	1,487,455,000	861,400,000	-	861,400,000
SUBTOTAL		\$11,862,384,565	\$10,107,625,752	\$3,771,260,000	\$ -	\$3,771,260,000
BOND TYPE: BRADLEY INTERNATIONAL AIRPORT						
	BRADLEY AIRPORT GENERAL					
	REVENUE REFUNDING BONDS ⁽⁴⁾	\$ -	\$183,020,000	\$135,600,000	\$ -	\$135,600,000
SUBTOTAL		\$ -	\$183,020,000	\$135,600,000	\$ -	\$135,600,000
BOND TYPE: CLEAN WATER FUND						
21015	CLEAN WATER FUND - FEDERAL ACCOUNT	\$2,576,627,442	\$1,612,982,408	\$511,470,017	\$ -	\$511,470,017
21018	DRINKING WATER FUND FEDERAL REVOLVING	228,982,558	103,607,592	31,384,983	-	31,384,983
	CLEAN WATER REFUNDING BONDS ⁽⁴⁾	-	513,305,000	165,205,000	-	165,205,000
SUBTOTAL		\$2,805,610,000	\$2,229,895,000	\$708,060,000	\$ -	\$708,060,000

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING⁽¹⁾ (Continued)
JUNE 30, 2014

CORE Fund No.	Name	Inception to Date		Principal Outstanding June 30, 2014	Interest Accreted Through Fiscal Year 2014 ⁽²⁾	Outstanding Incl. Accreted Interest June 30, 2014
		Amount Authorized	Amount Issued			
BOND TYPE: UCONN 2000⁽⁷⁾						
13045	UCONN 2000	\$2,014,902,147	\$1,880,502,147	\$726,035,000	\$ -	\$726,035,000
	UCONN 2000 REFUNDING BONDS ⁽⁴⁾	-	536,190,000	297,950,000	-	297,950,000
SUBTOTAL		\$2,014,902,147	\$2,416,692,147	\$1,023,985,000	\$ -	\$1,023,985,000
BOND TYPE: CDA INCREMENT FINANCING⁽⁸⁾						
88004	CDA CABELAS'S INC. TAX INCREMENTAL FINANCING	\$9,950,000	\$9,825,000	\$5,580,000	\$ -	\$5,580,000
88005	CDA BASS PRO SHOPS TAX INCREMENTAL FINANCING	22,000,000	18,885,000	18,885,000	-	18,885,000
	CDA REFUNDING BONDS SERIES A, B & C ⁽⁴⁾	-	22,435,000	10,815,000	-	10,815,000
SUBTOTAL		\$31,950,000	\$51,145,000	\$35,280,000	\$ -	\$35,280,000
BOND TYPE: CHEFA CHILDCARE FACILITIES PROGRAM⁽⁹⁾						
77807	CHEFA CHILDCARE - SERIES F	\$ -	\$19,165,000	\$17,270,000	\$ -	\$17,270,000
77808	CHEFA CHILDCARE - SERIES G	-	16,875,000	15,830,000	-	15,830,000
77809	CHEFA CHILDCARE REFUNDING BONDS ⁽⁴⁾	-	28,840,000	26,080,000	-	26,080,000
SUBTOTAL		\$ -	\$64,880,000	\$59,180,000	\$ -	\$59,180,000
BOND TYPE: JUVENILE TRAINING SCHOOL⁽¹⁰⁾						
88800	CT JUVENILE TRAINING SCHOOL ENERGY CENTER PROJECT	\$ -	\$19,165,000	\$14,135,000	\$ -	\$14,135,000
SUBTOTAL		\$ -	\$19,165,000	\$14,135,000	\$ -	\$14,135,000
BOND TYPE: BRADLEY INTERNATIONAL PARKING OPERATIONS						
21008	BRADLEY INTERNATIONAL PARKING OPERATIONS	\$55,000,000	\$53,800,000	\$35,275,000	\$ -	\$35,275,000
SUBTOTAL		\$55,000,000	\$53,800,000	\$35,275,000	\$ -	\$35,275,000
BOND TYPE: CHFA SPECIAL NEEDS HOUSING BONDS⁽¹¹⁾						
12060	CHFA SUPPORTIVE HOUSING BONDS	\$85,000,000	\$83,540,000	\$67,220,000	\$ -	\$67,220,000
SUBTOTAL		\$85,000,000	\$83,540,000	\$67,220,000	\$ -	\$67,220,000
BOND TYPE: CCEDA BONDS⁽¹²⁾						
12060	CAPITAL CITY ECONOMIC DEVELOPMENT AUTHORITY	\$ -	\$110,000,000	\$91,970,000	\$ -	\$91,970,000
SUBTOTAL		\$ -	\$110,000,000	\$91,970,000	\$ -	\$91,970,000

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING⁽¹⁾ (Continued)

JUNE 30, 2014

CORE Fund No.	Name	Inception to Date		Principal Outstanding June 30, 2014	Interest Accreted Through Fiscal Year 2014 ⁽²⁾	Outstanding Incl. Accreted Interest June 30, 2014
		Amount Authorized	Amount Issued			
BOND TYPE: CHFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM⁽¹³⁾						
15999	CHFA EMERGENCY MORTGAGE ASSISTANCE PROGRAM	\$50,000,000	\$50,000,000	\$44,160,000	\$ -	\$44,160,000
SUBTOTAL		\$50,000,000	\$50,000,000	\$44,160,000	\$ -	\$44,160,000
GRAND TOTAL		\$47,927,878,831	\$46,283,826,616	\$20,542,108,740	\$79,062,293	\$20,621,171,033

DEBT MANAGEMENT DIVISION

SCHEDULE OF AUTHORIZED AND ISSUED DEBT OUTSTANDING⁽¹⁾ (Continued)

JUNE 30, 2014

- (1) Includes all outstanding debt issued by the State of Connecticut as of June 30, 2014. 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, 2014.
- (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. No new authorization was required. The 2009 B and 2010 A BANs were refunded with General Obligation Bonds on May 19, 2011 and May 31, 2011.
- (4) Refunding issues. Proceeds are 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 City Economic Development Authority (CCEDA) 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 all debt service payments on the bonds up to a maximum annual amount of \$9 million, pursuant to a contract assistance agreement between CCEDA, the Treasurer, and the Secretary of the Office of Policy and Management. CCEDA is required to reimburse the State for the debt service payments from net parking and central utility plant revenues. CCEDA was re-named Capital Region Development Authority in 2012.
- (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, 2014

PRESENTED UNDER STATUTORY BASIS OF ACCOUNTING ^{(4) (5)}

Legal No.	Type	GAAP No.	Type	Fund Name	STIF Investments 6/30/14	Investments with Treasurer as Trustee		Investments with Others as Trustee		Total
						Short-Term 6/30/14	Long-Term 6/30/14	Short-Term 6/30/14	Long-Term 6/30/14	
GENERAL FUND⁽³⁾										
11000	Gen. Fund	1100	Gen. Fund	General Fund	\$118,227,096.60	\$10,000,000.00 ⁽¹³⁾	\$-	\$-	\$-	\$128,227,096.60
SUBTOTAL GENERAL FUND					\$118,227,096.60	\$10,000,000.00	\$-	\$-	\$-	\$128,227,096.60
SPECIAL REVENUE FUNDS										
12001	Spec. Rev.	1201	Spec. Rev.	Transportation	\$53,637,022.57	\$-	\$-	\$-	\$-	\$53,637,022.57
12005	Spec. Rev.	1215	Spec. Rev.	Probate Court Administration	3,890,346.13					3,890,346.13
12010	Spec. Rev.	1209	Spec. Rev.	Soldiers, Sailors and Marines	28,639.18					28,639.18
12012	Spec. Rev.	1215	Spec. Rev.	Municipal Employees Retirement Administration	959,509.33					959,509.33
12013	Spec. Rev.	1208	Spec. Rev.	Regional Market Operation	527,072.76					527,072.76
12016	Spec. Rev.	1213	Spec. Rev.	Recreation and Natural Heritage Trust Fund	1,550,039.33					1,550,039.33
12018	Spec. Rev.	2107	Enterprise	University Health Center Operating Fund	67,374.12					67,374.12
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	45,328,400.82					45,328,400.82
12032	Spec. Rev.	1210	Spec. Rev.	Employment Security - Special Administration	27,353.78					27,353.78
12035	Spec. Rev.	1212	Spec. Rev.	Economic Assistance Revolving Fund	27,095,087.04					27,095,087.04
12038	Spec. Rev.	1212	Spec. Rev.	Individual Development Account Reserve Fund			\$439,213.02			439,213.02
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	2,550,894.84					2,550,894.84
12051	Spec. Rev.	1215	Spec. Rev.	Capital Equipment Purchase Fund	11,971,823.73					11,971,823.73
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	94,186.44					94,186.44
12062	Spec. Rev.	1211	Spec. Rev.	Transportation Grants And Restricted Accounts	99,141.85					99,141.85
12065	Spec. Rev.	1214	Spec. Rev.	Housing Assistance Bond Fund - Tax Exempt	21,961,815.17					21,961,815.17
12066	Spec. Rev.	1214	Spec. Rev.	Housing Trust Fund	103.55					103.55
12067	Spec. Rev.	1214	Spec. Rev.	CT. Bioscience Collaboration	4,976,284.32					4,976,284.32
SUBTOTAL SPECIAL REVENUE FUNDS					\$179,204,576.86	\$-	\$439,213.02	\$-	\$-	\$179,643,789.88
CAPITAL PROJECTS FUNDS										
13009	Cap. Proj.	1212	Spec. Rev.	School Construction	\$339,748.62	\$-	\$-	\$-	\$-	\$339,748.62
13010	Cap. Proj.	1212	Spec. Rev.	School Construction - Magnet Schools	36,679,210.25					36,679,210.25
13015	Cap. Proj.	1212	Spec. Rev.	Agricultural Land Preservation	12,099,039.24					12,099,039.24
13019	Cap. Proj.	1212	Spec. Rev.	Community Conservation and Development	62,543,631.76					62,543,631.76
13033	Cap. Proj.	1302	Cap. Proj.	Infrastructure Improvement Fund	169,171,616.33					169,171,616.33
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	97,000,436.23					97,000,436.23
17001	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	4,875,880.37					4,875,880.37
17011	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	14,164,172.06					14,164,172.06
17021	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	11,483,928.86					11,483,928.86
17041	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	12,923,334.80					12,923,334.80
17051	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	3,857,342.47					3,857,342.47
17061	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	12,841,173.54					12,841,173.54
17071	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	26,420,214.90					26,420,214.90
17081	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	21,454,025.12					21,454,025.12
17091	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	27,783.99					27,783.99
17111	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	11,332,988.20					11,332,988.20
17121	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	41,151,194.01					41,151,194.01
17131	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	87,658,678.10					87,658,678.10
17141	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	4,006,045.35					4,006,045.35
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
17861	Cap. Proj.	1301	Cap. Proj.	Capital Improvements and Other Purposes	8,088,729.47					8,088,729.47

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS
SCHEDULE OF INVESTMENTS (1) (2)
FISCAL YEAR ENDED JUNE 30, 2014

PRESENTED UNDER STATUTORY BASIS OF ACCOUNTING (4) (5)

Legal No.	Type	GAAP No.	Type	Fund Name	STIF	Investments with Treasurer as Trustee		Investments with Others as Trustee		Total
					Investments 6/30/14	Short-Term 6/30/14	Long-Term 6/30/14	Short-Term 6/30/14	Long-Term 6/30/14	
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	648,059.76					648,059.76
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	1,529,772.27					1,529,772.27
17961	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	1,284,827.37					1,284,827.37
17971	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	2,075,344.75					2,075,344.75
17991	Cap. Proj.	1301	Cap.Proj.	Capital Improvements and Other Purposes	769,638.16					769,638.16
SUBTOTAL CAPITAL PROJECTS FUNDS					\$654,084,002.12	\$-	\$-	\$-	\$-	\$654,084,002.12
DEBT SERVICE FUNDS										
14001	Debt Service	2106	Enterprise	University Bond Liquidation	\$979,788.09	\$-	\$-	\$-	\$-	\$979,788.09
14002	Debt Service	2109	Enterprise	State University Dormitory	74,933,474.71					74,933,474.71
14005	Debt Service	1401	Debt Service	Transportation Fund Reserve	438,432,596.80 ⁽⁶⁾				\$226,517,500.00 ⁽⁶⁾	664,950,096.80
SUBTOTAL DEBT SERVICE FUNDS					\$514,345,859.60	\$-	\$-	\$-	\$226,517,500.00	\$740,863,359.60
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	13,550,907.68 ⁽⁶⁾					13,550,907.68
21009	Enterprise	2101	Enterprise	Bradley International Airport Operations	154,065,105.74 ⁽⁶⁾					154,065,105.74
21011	Enterprise	1212	Spec.Rev.	Local Bridge Revolving Fund - Revenue Financed	1,760,140.57					1,760,140.57
21014	Enterprise	1213	Spec.Rev.	Clean Water Fund - State	21,324,447.78 ⁽⁷⁾			780,000.00 ⁽⁷⁾	2,825,000.00 ⁽⁷⁾	24,929,447.78
21015	Enterprise	2105	Non.-Exp.	Clean Water Fund - Federal	269,699,232.77 ⁽⁶⁾			90,029,569.70 ⁽⁶⁾	109,899,882.34 ⁽⁶⁾	469,628,684.81
21016	Enterprise	1213	Spec.Rev.	Clean Water Fund - Long Island Sound	4,140,147.95					4,140,147.95
21018	Enterprise	2111	Spec.Rev.	Drinking Water Fund - Federal Revolving Loan	81,613,940.87 ⁽⁶⁾			1,136,039.50 ⁽⁶⁾	16,058,578.99 ⁽⁶⁾	98,808,559.36
SUBTOTAL ENTERPRISE FUNDS					\$555,086,162.19	\$-	\$-	\$91,945,609.20	\$128,783,461.33	\$775,815,232.72
FIDUCIARY FUNDS										
31001	Pension	3103	Pension	State Employees' Retirement Fund	\$-	\$286,316,249.89	\$10,183,035,789.29 ⁽¹¹⁾	\$-	\$-	\$10,469,352,039.18
31002	Pension	3105	Pension	State Attorneys' Retirement Fund		20,036.67	1,452,917.10 ⁽¹¹⁾			1,472,953.77
31003	Pension	3105	Pension	General Assembly Retirement Fund	13,079.50					13,079.50
31004	Pension	3106	Pension	Judges and Compensation Commissioners' Retirement Fund		5,163,203.85	182,610,431.82 ⁽¹¹⁾			187,773,635.67
31005	Pension	3105	Pension	Public Defenders Retirement Fund	282,851.99					282,851.99
31006	Pension	3104	Pension	Teachers' Retirement Fund		843,776,473.26	15,376,330,931.42 ⁽¹¹⁾			16,220,107,404.68
31008	Pension	3107	Pension	Municipal Employees' Retirement - Fund B		59,391,003.87	2,101,867,185.59 ⁽¹¹⁾			2,161,258,189.46
31009	Other Em. Benefits	3102	Agency	Policemen and Firemen Survivors' Benefit Fund		832,143.99	26,353,133.24 ⁽¹¹⁾			27,185,277.23
31010	Pension	3108	Pension	Probate Judges and Employees Retirement Fund		2,262,142.89	87,977,933.56 ⁽¹¹⁾			90,240,076.45
31011	Other Em. Benefits	3109	Agency	State Employee OPEB Fund		5,237,571.36	155,184,367.04 ⁽¹¹⁾			160,421,938.40
31012	Other Em. Benefits	3101	Agency	OPEB Teachers' Fund	88,624,213.17					88,624,213.17
35010	Fiduciary	1502	Permanent	Connecticut Arts Endowment Fund		561,452.40	18,484,757.29 ⁽¹¹⁾			19,046,209.69
35011	Fiduciary	1501	Non.-Exp.	Soldiers, Sailors and Marines Trust Fund		1,475,898.45	70,872,014.95 ⁽¹¹⁾			72,347,913.40
35014	Fiduciary	2103	Exp.Trust	Unemployment Compensation Fund					\$209,496,324.81 ⁽¹²⁾	209,496,324.81
35015	Fiduciary	2107	Enterprise	John Dempsey Hospital Malpractice Trust Fund	7,638,063.88					7,638,063.88
SUBTOTAL FIDUCIARY FUNDS					\$96,558,208.54	\$1,205,036,176.63	\$28,204,169,461.30	\$209,496,324.81	\$-	\$29,715,260,171.28
TOTAL CIVIL LIST FUNDS					\$2,117,505,905.91	\$1,215,036,176.63	\$28,204,608,674.32	\$301,441,934.01	\$355,300,961.33	\$32,193,893,652.20

CASH MANAGEMENT DIVISION

CIVIL LIST FUNDS

SCHEDULE OF INVESTMENTS ⁽¹⁾ ⁽²⁾ (Continued)

FISCAL YEAR ENDED JUNE 30, 2014

-
- (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 accounting standards that were applied in this legislation and the Budget Act enacted for the 2014 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 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) STIF Investments consist of Trustee directed accounts. Short-term investments consist of Money Market Funds. All investments are held by US Bank as Trustee.
 - (11) Represents market value of shares held by various retirement plans in the Treasurer's Combined Investment Funds.
 - (12) Cash on deposit with Federal Government.
 - (13) Investments bank deposit instruments.

CASH MANAGEMENT DIVISION

SECURITIES HELD IN TRUST FOR POLICYHOLDERS

JUNE 30, 2014

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	\$ 5,000,000.00	\$ 5,094,802.00
Aetna Better Health, Inc.	500,000.00	498,595.00
Aetna Health and Life Insurance Company	3,075,000.00	3,083,589.25
Aetna Health Inc. (CT)	575,000.00	604,896.25
Aetna Insurance Company of Connecticut	2,550,000.00	2,518,125.00
Aetna Life Insurance Company	1,592,000.00	1,684,371.24
Alterra Reinsurance USA Inc.	3,025,000.00	3,065,656.00
American Centennial Insurance Company	50,000.00	50,054.50
American Equity Specialty Insurance Company	2,600,000.00	3,063,826.39
American Maturity Life Insurance Company	5,700,000.00	5,729,811.00
American Phoenix Life and Reassurance Company	1,000,000.00	1,045,820.00
American Security Insurance Company	35,000.00	35,057.40
AmeriChoice of Connecticut, Inc.	500,000.00	502,580.00
Anthem Health Plans, Inc.	500,000.00	494,530.00
Arbella Indemnity Insurance Company, Inc.	50,000.00	64,094.00
Arbella Protection Insurance Company	50,000.00	56,359.50
Associated Employers Insurance Company	50,000.00	49,453.00
Associated Industries of MA Mutual Ins Co (AIM Mutual)	50,000.00	50,009.50
Automobile Insurance Company of Hartford, CT (The)	4,050,000.00	4,547,078.50
AXIS Specialty Insurance Company	3,000,000.00	3,018,510.00
Beazley Insurance Company, Inc.	2,500,000.00	2,545,325.00
C.M. Life Insurance Company	1,610,000.00	1,608,551.00
California Insurance Company	9,270,000.00	9,338,318.90
Carolina Casualty Insurance Company	200,000.00	238,448.00
Charter Oak Fire Insurance Company (The)	4,525,000.00	4,837,324.75
CIGNA Health and Life Insurance Company	2,600,000.00	2,772,212.80
CIGNA Healthcare of Connecticut, Inc.	525,000.00	543,732.00
Clearwater Select Insurance Company	3,000,000.00	3,299,760.00
Connecticare, Inc.	500,000.00	496,250.00
Connecticut Attorneys Title Insurance Company	210,000.00	213,670.80
Connecticut General Life Insurance Company	1,710,000.00	1,749,734.60
Covenant Insurance Company	600,000.00	674,220.00
Discover Property and Casualty Insurance Company	3,120,000.00	3,240,072.28
Discover Specialty Insurance Company	2,750,000.00	2,900,820.40
Electric Insurance Company	60,000.00	65,876.40
Employers' Fire Insurance Company	55,000.00	55,025.85
Executive Risk Specialty Insurance Company	3,110,000.00	3,227,702.00
Fairmont Insurance Company	100,000.00	100,439.00
Fairmont Premier Insurance Company	100,000.00	116,691.00
Fairmont Specialty Insurance Company	100,000.00	114,875.00
Farmington Casualty Company	3,000,000.00	3,239,790.00
Finial Reinsurance Company	3,550,000.00	3,602,596.50
Fireman's Fund Insurance Company	19,125,000.00	22,306,898.75
First State Insurance Company	2,200,000.00	2,276,648.00
Fitchburg Mutual Insurance Company	50,000.00	51,860.50
General Re Life Corporation	1,500,000.00	1,980,000.00
General Star Indemnity Company	2,975,000.00	3,290,114.65
Genesis Insurance Company	3,000,000.00	3,169,650.00
Genworth Mortgage Ins Corporation of North Carolina	60,000.00	60,309.60
Gulf Underwriters Insurance Company	3,000,000.00	3,603,385.07
Harleysville Worcester Insurance Company	9,065,000.00	10,171,625.40
Hartford Accident and Indemnity Company	3,500,000.00	3,822,245.00
Hartford Fire Insurance Company	3,300,000.00	3,778,566.00
Hartford Insurance Company of the Southeast	1,000,000.00	1,045,000.00
Hartford International Life Reassurance Corp.	5,645,000.00	5,673,067.80
Hartford Life and Accident Insurance Company	1,915,000.00	1,884,090.50

CASH MANAGEMENT DIVISION

SECURITIES HELD IN TRUST FOR POLICYHOLDERS (Continued)

JUNE 30, 2014

Name of Insurance Company	Par Amount of Collateral	Market Value
Hartford Life and Annuity Insurance Company	2,860,000.00	2,936,747.40
Hartford Life Insurance Company	2,350,000.00	2,445,480.50
Hartford Steam Boiler Inspection & Insurance Company (The)	4,000,000.00	4,009,360.00
Hartford Steam Boiler Inspection & Ins Co of CT (The)	3,100,000.00	3,257,914.00
Hartford Underwriters Insurance Company	3,250,000.00	3,512,437.50
Harvard Pilgrim Health Care of Connecticut, Inc.	500,000.00	699,455.00
Health Net of Connecticut, Inc.	500,000.00	533,965.00
Homesite Insurance Company	2,500,000.00	2,505,675.00
HSB Speciality Insurance Company	2,500,000.00	2,475,775.00
IdeaLife Insurance Company	1,500,000.00	1,500,240.00
ING Life & Annuity Insurance Company	3,707,000.00	3,654,026.97
Insurance Company of the West	100,000.00	139,211.00
Integon National Insurance Company	75,000.00	81,920.25
Integon Preferred Insurance Company	75,000.00	90,032.25
Knights of Columbus	2,000,000.00	2,529,480.00
Liberty Mutual Insurance Company	50,000.00	48,461.00
Massachusetts Mutual Life Insurance Company	1,600,000.00	2,187,504.00
MEMBERS Life Insurance Company	350,000.00	394,516.50
MetLife Insurance Company of Connecticut	10,125,000.00	11,837,703.00
Middlesex Mutual Assurance Company	1,525,000.00	1,522,515.00
MML Bay State Life Insurance Company	1,500,000.00	1,498,650.00
Munich American Reassurance Company	40,000.00	40,206.40
National Liability & Fire Insurance Company	2,750,000.00	2,794,467.50
New England Insurance Company	2,945,000.00	3,125,512.80
New England Reinsurance Corporation	3,225,000.00	4,573,469.25
New London County Mutual Insurance Company	600,000.00	649,920.00
Northland Casualty Company	2,560,000.00	2,892,664.20
Northland Insurance Company	2,575,000.00	2,759,859.25
Nutmeg Insurance Company	3,282,000.00	3,461,467.50
Odyssey Reinsurance Company	5,000,000.00	5,135,550.00
OneBeacon America Insurance Company	55,000.00	55,025.85
Oxford Health Plans (CT), Inc.	500,000.00	502,580.00
Pacific Insurance Company, Limited	2,820,000.00	3,369,662.40
Patrons Mutual Insurance Company of Connecticut	120,000.00	121,687.20
PHL Variable Insurance Company	1,000,000.00	1,072,420.00
Phoenix Insurance Company	3,795,000.00	4,287,279.45
Phoenix Life and Annuity Company	1,000,000.00	1,083,200.00
Prudential Annuities Life Assurance Corporation	1,500,000.00	1,500,000.00
Prudential Retirement Insurance and Annuity Company	5,015,000.00	5,245,585.05
PXRE Reinsurance Company	7,800,000.00	8,023,086.00
R.V.I. America Insurance Company	2,550,000.00	2,558,722.50
Safeco Surplus Lines Insurance Company	100,000.00	100,938.00
St. Paul Fire and Marine Insurance Company	3,250,000.00	3,300,277.50
St. Paul Guardian Insurance Company	2,615,000.00	2,692,678.20
St. Paul Mercury Insurance Company	2,550,000.00	2,907,306.00
St. Paul Protective Insurance Company	4,100,000.00	4,491,875.00
Seneca Insurance Company, Inc.	260,000.00	274,391.00
Sentinel Insurance Co., Limited	3,585,000.00	3,493,032.90
Sequoia Insurance Company	125,000.00	149,358.75
Sparta Insurance Company	3,070,000.00	3,098,396.90
Sparta Specialty Insurance Company	2,500,000.00	2,501,955.00
Standard Fire Insurance Company (The)	4,000,000.00	4,450,320.00
Sun Life and Health Insurance Company (U.S.)	5,000,000.00	4,812,900.00
Swiss Re Life & Health America, Inc.	5,290,000.00	5,515,255.00
T.H.E. Insurance Company	300,000.00	308,661.00
Thames Insurance Company, Inc.	200,000.00	216,640.00
TIG Insurance Company	10,100,000.00	11,157,100.40
Torus National Insurance Company	100,000.00	101,266.00
Tower National Insurance Company	76,500.00	75,875.41
TravCo Insurance Company	4,875,000.00	5,777,438.50
Travelers Casualty and Surety Company	3,000,000.00	3,278,790.00

CASH MANAGEMENT DIVISION**SECURITIES HELD IN TRUST FOR POLICYHOLDERS (Continued)****JUNE 30, 2014**

Name of Insurance Company	Par Amount of Collateral	Market Value
Travelers Casualty and Surety Company of America	3,180,000.00	3,311,496.00
Travelers Casualty Company (The)	2,940,000.00	3,065,163.80
Travelers Casualty Company of Connecticut	2,500,000.00	2,778,060.50
Travelers Casualty Insurance Company of America	3,400,000.00	4,488,000.00
Travelers Commercial Casualty Company	3,200,000.00	3,266,496.00
Travelers Commercial Insurance Company	2,125,000.00	2,106,337.50
Travelers Constitution State Insurance Company	3,000,000.00	3,153,270.00
Travelers Excess and Surplus Lines Company	2,700,000.00	2,704,212.00
Travelers Home and Marine Insurance Company (The)	5,125,000.00	5,621,204.25
Travelers Indemnity Company (The)	6,630,000.00	7,393,788.30
Travelers Indemnity Company of America	3,565,000.00	3,570,561.40
Travelers Indemnity Company of Connecticut (The)	3,000,000.00	3,409,710.00
Travelers Personal Insurance Company	5,500,000.00	6,021,321.10
Travelers Personal Security Insurance Company	4,100,000.00	4,265,247.00
Travelers Property Casualty Company of America	3,005,000.00	4,185,560.00
Travelers Property Casualty Insurance Company	2,050,000.00	2,288,679.00
Trenwick America Reinsurance Corporation	1,580,000.00	1,646,229.00
Truck Insurance Exchange	370,000.00	365,952.20
Trumbull Insurance Company	2,580,000.00	2,996,853.00
United Guaranty Residential Insurance Company of NC	50,000.00	51,911.50
United States Fidelity and Guaranty Company	6,000,000.00	6,613,120.00
UnitedHealthcare Insurance Company	1,510,000.00	1,670,437.50
Vantis Life Insurance Company	2,325,000.00	2,528,366.00
Vision Service Plan Insurance Company	2,600,000.00	2,590,618.00
Wellcare of CT, Inc.	525,000.00	538,287.75
Zenith Insurance Company	1,111,000.00	1,332,333.42
TOTAL	\$ 356,548,500.00	\$ 385,133,221.58

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, 2013 **\$ 217,511,401.98**

Deposits	\$ 838,649,000.00	
Combined Wage Transfers to Connecticut	15,518,788.31	
Federal Employee & Ex-Servicemen Contributions	12,958,000.00	
Extended Unemployment Compensation 08	208,088,000.00	
Title XII Advances	92,890,858.28	\$ 1,168,104,646.59

TOTAL CASH AVAILABLE **\$ 1,385,616,048.57**

Combined Wage Withdrawals	6,516,405.19	
Federal Employee & Ex-Servicemen Withdrawals	12,958,000.00	
Withdrawals for Regular U.I. Benefit Payments	799,017,000.00	
Extended Unemployment Compensation 08	208,088,000.00	
Refund of Reduced FUTA Tax Credits	410,812.14	
Returned Excess Federal Funds - Book Transfers	2,096,320.00	
Reed Act Withdrawal, for Administration	2,033,186.43	
Title XII Voluntary Loan Repayment	145,000,000.00	1,176,119,723.76

BALANCE at JUNE 30, 2014 **\$ 209,496,324.81**

Office of the State Treasurer

LIST OF PRINCIPAL OFFICIALS AND PHONE NUMBERS

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Treasurer, State of Connecticut
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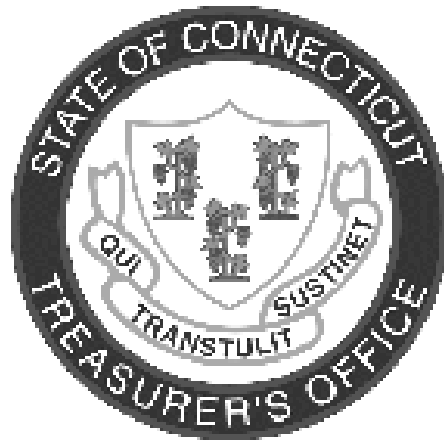
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