

STATE OF CONNECTICUT

OFFICE OF THE TREASURER

2007

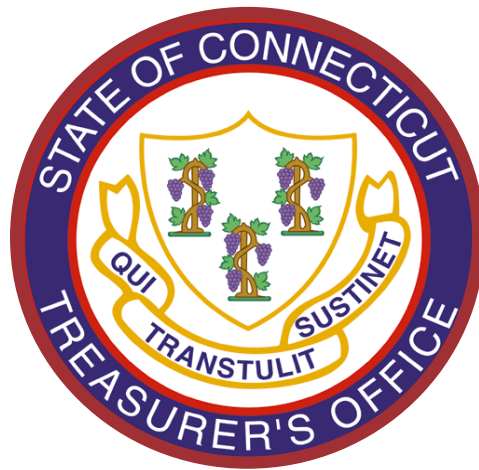


COMBINED INVESTMENT FUNDS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2007

STATE OF CONNECTICUT

Office of the State Treasurer



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

STATE OF CONNECTICUT OFFICE OF THE TREASURER

2007



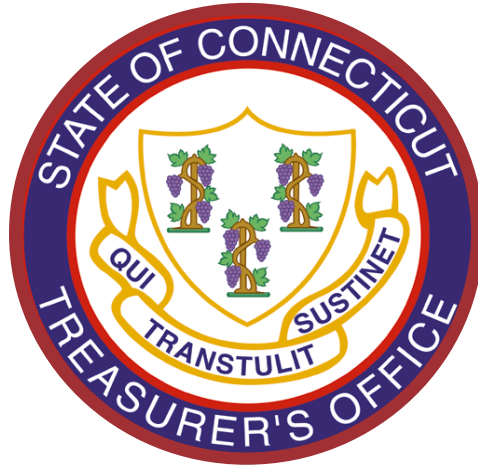
COMBINED INVESTMENT FUNDS COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2007

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

STATE OF CONNECTICUT

Office of the State Treasurer



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COMBINED INVESTMENT FUNDS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2007

Table of Contents

INTRODUCTORY SECTION

Letter from the Treasurer	3
Management's Report	6
Certificate of Achievement for Excellence in Financial Reporting	7
The Connecticut State Treasury	8
Pension Funds Management Administration	9
List of Principal Officials	10
Investment Advisory Council	11
List of External Advisors	12

FINANCIAL SECTION

Report of Auditors of Public Accounts	15
Management's Discussion and Analysis	17

BASIC FINANCIAL STATEMENTS

Statement of Net Assets	20
Statements of Changes in Net Assets	21
Notes to Financial Statements	23

INVESTMENT SECTION

Pension Funds Management Division	35
Division Overview	35
The Year in Review	38
Total Fund Performance	38
2007 Management Initiatives	39
Proxy Voting	40
Asset Recovery and Loss Prevention	41
Corporate Governance	42
Cash Reserve Account	46
Mutual Equity Fund	50
Mutual Fixed Income Fund	53
International Stock Fund	58
Real Estate Fund	62
Commercial Mortgage Fund	67
Private Investment Fund	71
Schedule of Investment Advisors and Fees in Excess of \$5,000	77
Combined Investment Funds Schedule of Brokerage Commissions	80
Schedule of Net Assets	83

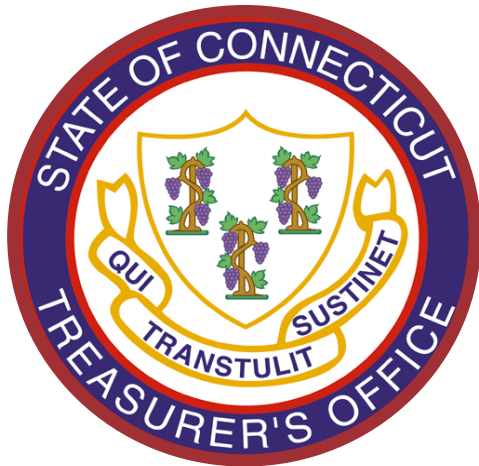
TABLE OF CONTENTS

Schedules of Changes in Net Assets	84
Combined Investment Funds Total Net Asset Value by Pension Plans and Trusts	86
Combined Investment Funds Schedule of Investment Activity by Pension Plan	87
Combined Investment Funds Schedule of Investment Activity by Trust	89
Combined Investment Funds List of Investment Advisors and Net Assets Under Management	92
Schedule of Consulting Services in Excess of \$5,000	95
Combined Investment Funds Top Ten Holdings	96
Combined Investment Funds Glossary of Investment Terms	98
Understanding Investment Performance	102

STATISTICAL SECTION

Overview	105
Combined Investment Funds Financial Highlights	106
Pension and Trust Funds Balances in Combined Investment Funds	108
Combined Investment Funds Investment Summary	109
Condensed Financial Schedules	111

Introductory Section





State of Connecticut
Office of the Treasurer

DENISE L. NAPPIER
TREASURER

HOWARD G. RIFKIN
DEPUTY TREASURER

December 20, 2007

To the State of Connecticut
Combined Investment Funds
Fellow Beneficiaries

I am pleased to submit this Comprehensive Annual Financial Report (CAFR) for the State of Connecticut Combined Investment Funds (CIF) for the fiscal year ended June 30, 2007, which reflects a year of solid performance providing substantial increases in the value of the CIF portfolio.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Office of the Treasurer. To the best of our knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of CIF.

The Combined Investment Funds were established pursuant to Connecticut General Statutes Section 3-31b to provide a means for investing pension and other trust fund assets entrusted to the Treasurer in a variety of investment classes. The Funds are separate legally defined open-end portfolios consisting of the Cash Reserve Fund, Mutual Equity Fund, Mutual Fixed Income Fund, International Stock Fund, Real Estate Fund, Commercial Mortgage Fund, and the Private Investment Fund.

The units of the Funds are owned by six pension funds which include the Teachers' Retirement Fund, State Employees' Retirement Fund, Connecticut Municipal Employees' Retirement Fund, State Judges' Retirement Fund, Probate Court Retirement Fund, and State's Attorney Retirement Fund, and eight trust funds which include the Soldiers', Sailors' & Marines' Fund, Police and Fireman' Survivors' Benefit Fund, Connecticut Arts Endowment Fund, School Fund, Ida Eaton Cotton Fund, Hopemead Fund, Andrew C. Clark Fund, and the Agricultural College Fund.

Management's Discussion and Analysis

The MD&A beginning on page 17 provides an overview and analysis of the Funds' basic financial statements. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. We are confident that the data is presented in a manner that fairly reflects the financial position and results of operations as measured by the financial activity of the fund. To this end, audited financial statements and all disclosures necessary to enable the reader to gain an understanding of the Combined Investment Funds' financial activity have been included herein for your review.

Economic Condition and Outlook

The economic condition of the Funds is based primarily upon investment earnings. CIF produced an annual total return of 17.34 percent, net of operating expenses. A comparative analysis of rates of return is presented on page 45 of this report. Returns were positive in all the Funds investment classes. At the close of fiscal year 2007, the Funds' net assets were \$25.9 billion, an increase of \$3.1 billion from the previous year after deducting payments for pension benefits and monies withdrawn by participants from operating income earned this year.

CIF's fiscal year 2007 performance ranked in the fiftieth percentile in the country among public funds greater than \$1 billion as reported by TUCS, an independent firm that monitors the performance of public funds on a monthly basis. Over the longer term, CIF was ranked in the top 35 percent and top 27 percent of public funds over the last 3 and 10 years, respectively.

Presently, the housing and mortgage markets are in the midst of a significant market downturn that began in 2006 and has continued through 2007. New and existing home sales, housing starts, mortgage originations and home prices have declined significantly, resulting in higher inventories of unsold homes, mortgage delinquencies and foreclosures. Capital markets have endured high levels of volatility, wider credit spreads, rating agency downgrades on mortgage-related securities for many banks and financial institutions.

Financial Information

Management is responsible for maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. This system includes written policies and procedures. Discussion and analysis of net assets and related additions and deductions is presented in the MD&A beginning on page 17.

As principal fiduciary of the Combined Investment Funds, I am authorized to invest in a broad range of equity and fixed income securities, as well as real estate properties, mortgages and private equity. The Office of the Treasurer and the State's Investment Advisory Council (IAC) developed a comprehensive Investment Policy Statement (IPS) that provides policy guidelines for the Funds' investments and includes an asset allocation plan, which governs Fund investments today. The Asset Allocation Plan's main objective is to maximize investment returns over the long term at an acceptable level of risk, primarily through asset diversification. Risk, in this context, is defined as volatility of investment returns. (See the Understanding Investment Performance discussion in the Investment Section.)

The target investment portfolio mix at fair value as of the end of the 2007 fiscal year was 36% U.S. equity, 18% international equity, 5% equity commercial real estate, 30% U.S. fixed income, and 11% alternative investments. The Funds investment outlook is long-term allowing the portfolio to take advantage of the favorable risk-return characteristics of equities by placing more emphasis on this category.

The Funds are externally managed, primarily with registered investment advisors selected on a competitive basis based on professional reputation, experience and performance. Investments are stated at fair value for each of the funds and the investments of the Cash Reserve Fund are valued at amortized cost that approximates fair value.

Independent Audit

In this report, you will find a level of disclosure consistent with the highest standards of financial reporting in conformity with generally accepted accounting principles (GAAP). The State of Connecticut's independent Auditors of Public Accounts conducted an annual audit of this Comprehensive Annual Financial Report in accordance with generally accepted auditing standards. The auditors' report on the basic financial statements is included in the Financial Section of this report.

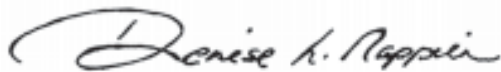
Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Fund a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2006. The Certificate is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

Requests for Information

This financial report is designed to provide a general overview of the State of Connecticut Office of the Treasurer Combined Investment Funds activities for all those with an interest in the Funds investment activities. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, 55 Elm Street, Hartford, Connecticut 06106-1773, and telephone (860) 702-3000. Copies of the comprehensive annual financial report will also be available on the Internet at www.state.ct.us/ott.

Sincerely,



Denise L. Nappier
Treasurer
State of Connecticut

MANAGEMENT'S REPORT



State of Connecticut Office of the Treasurer

DENISE L. NAPPIER
TREASURER

HOWARD G. RIFKIN
DEPUTY TREASURER

December 20, 2007

To the State of Connecticut
Combined Investment Funds
Fellow Beneficiaries

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

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "H. Rifkin", with a long horizontal line extending to the right.

Howard G. Rifkin
Deputy Treasurer

55 ELM STREET, HARTFORD, CONNECTICUT 06106-1773, TELEPHONE: (860) 702-3000

AN EQUAL OPPORTUNITY EMPLOYER

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Connecticut State Treasurer's Combined Investment Funds

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Emer

Executive Director

Mission Statement

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

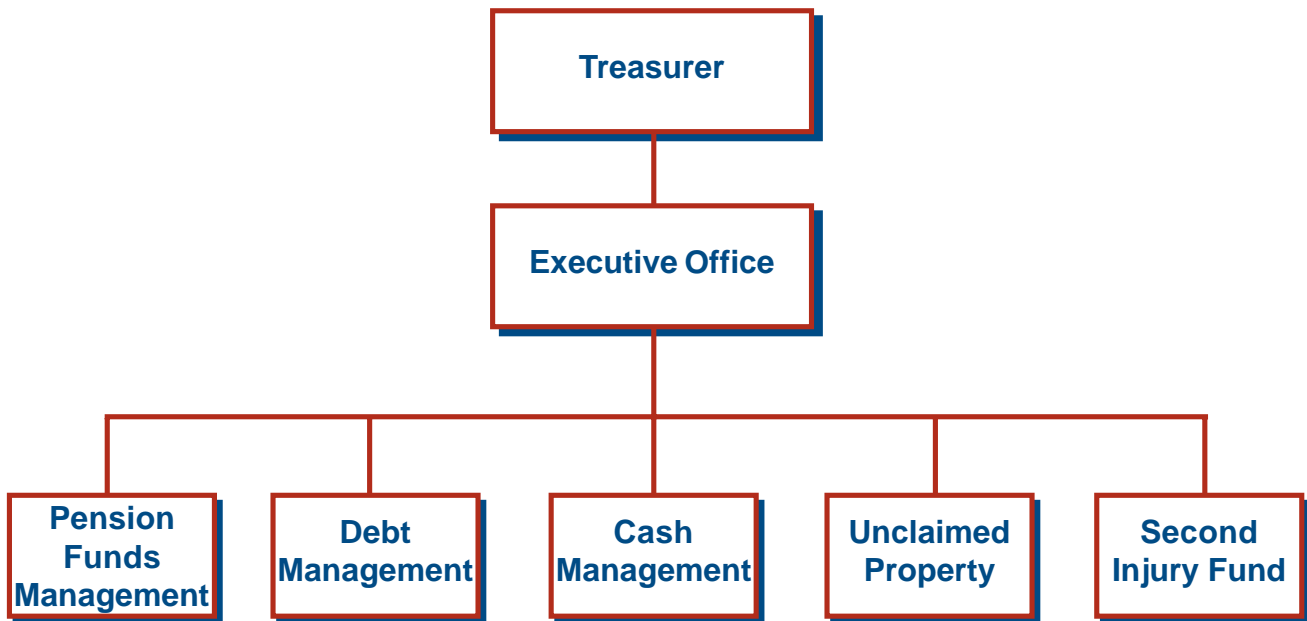
Statutory Responsibility

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

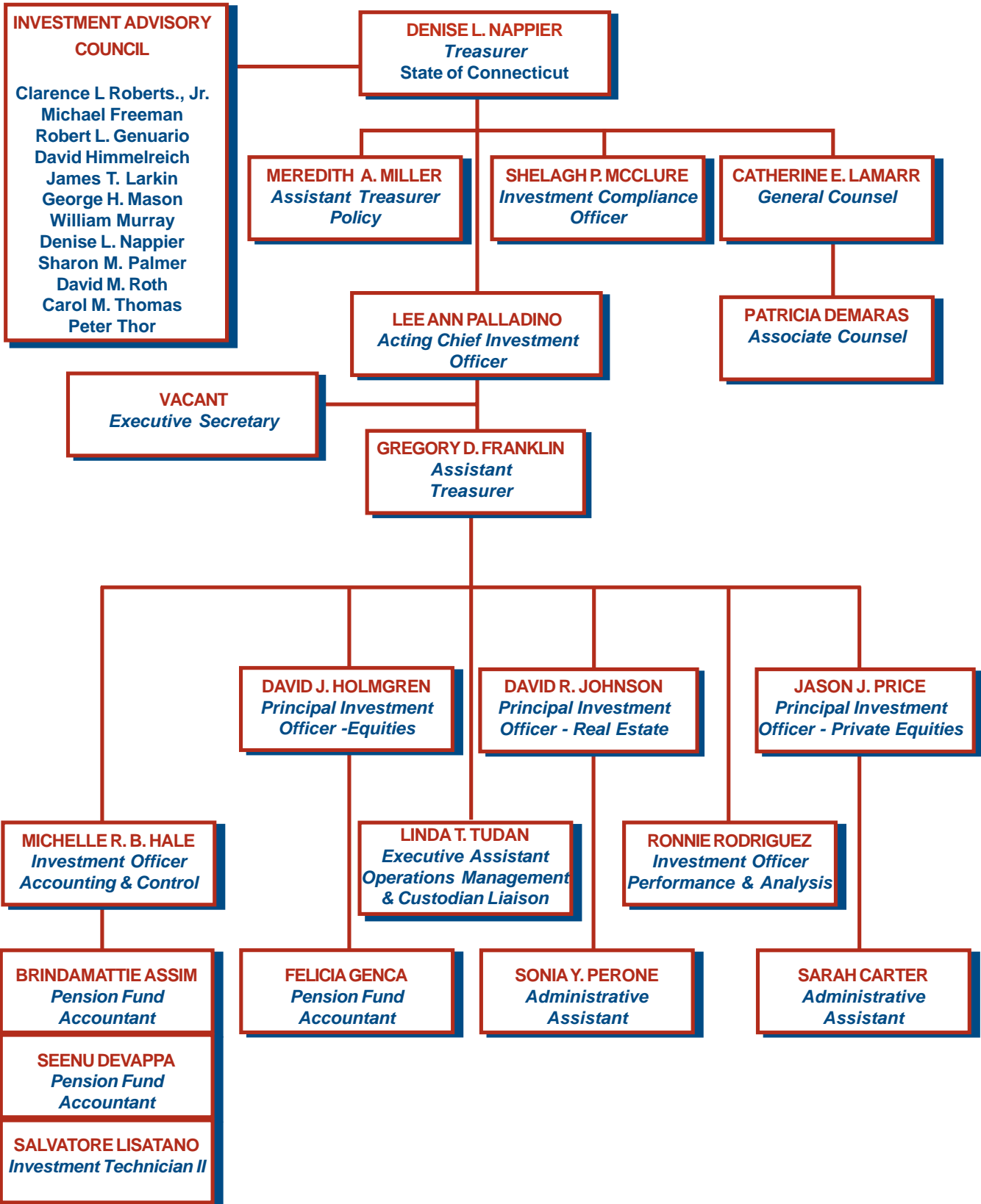
The Treasurer, as Chief Fiscal Officer for the State, oversees the prudent preservation and management of State funds, including the administration of a \$25.9 billion portfolio of pension assets and over \$5.0 billion in State and local short-term investments.

Public Service

The Office of the Treasurer includes an Executive Office as well as five distinct divisions, each with specific responsibilities: Pension Funds Management, Cash Management, Debt Management, Unclaimed Property, and the Second Injury Fund.



COMBINED INVESTMENT FUNDS ADMINISTRATION



Effective October 15, 2007.

LIST OF PRINCIPAL OFFICIALS

COMBINED INVESTMENT FUNDS

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

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

Deputy Treasurer, State of Connecticut
HOWARD G. RIFKIN (860) 702-3292

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

Assistant Treasurer - Policy
MEREDITH A. MILLER (860) 702-3294

Acting Chief Investment Officer
LEE ANN PALLADINO (860) 702-3229

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

Principal Investment Officer
DAVID J. HOLMGREN (860) 702-3047

Principal Investment Officer
DAVID R. JOHNSON (860) 702-3160

Principal Investment Officer
JASON J. PRICE (860) 702-3247

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

Investment Officer
RONNIE RODRIGUEZ (860) 702-3167

Investment Compliance Officer
SHELAGH P. MCCLURE (860) 702-3280

INVESTMENT ADVISORY COUNCIL

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

As enacted in Public Act 00-43, the IAC annually reviews the Investment Policy (IPS) Statement recommended by the Treasurer which includes an outline of the standards governing investment of the plan and trust funds by the Treasurer. The IPS includes, with respect to each plan and trust fund, (A) investment objectives; (B) asset allocation policy and risk tolerance; (C) asset class definitions, including specific types of permissible investments within each asset class and any specific limitations or other considerations governing the investment of any funds; (D) investment and money manager guidelines; (E) investment performance evaluation guidelines; (F) guidelines for the selection and termination of providers of investment related services who shall include, but not be limited to, external investment and money managers, investment consultants, custodians, broker-dealers, legal counsel, and similar investment industry professionals; and (G) proxy voting guidelines. The Treasurer shall thereafter adopt the IPS, including any such changes recommended by the IAC the Treasurer deems appropriate, with the approval of a majority of the members appointed to the IAC. The current IPS was adopted by the Treasurer and approved by the IAC in March 2002 and subsequently in January 2003, the IAC approved the Treasurer's adopted guidelines for the Mutual Fixed Income Fund.

All plan and trust fund investments by the State Treasurer shall be reviewed by the Investment Advisory Council along with all information regarding such investments provided to the IAC which the Treasurer deems relevant to the council's review and such other information as may be requested by the council. The IAC shall also review the report provided by the Treasurer at each regularly scheduled meeting of the IAC as to the status of 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 breakdowns in the safekeeping of plan and trust funds or contemplated action to do the same within their knowledge.

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

Council members who contributed their time and knowledge to the IAC during fiscal 2007 include:

CLARENCE L. ROBERTS, JR., Chairman, as appointed by the Governor, Former Assistant Treasurer, Unilever United States, Inc. (Retired) (Term expired 6/30/2007).

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

ROBERT L. GENUARIO, Secretary, State Office of Policy and Management (Ex-officio member).

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

JAMES T. LARKIN, President, Global Strategy Advisors.

GEORGE H. MASON, Retired Business Educator.

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

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

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

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

CAROL M. THOMAS, Representative of State Employees' unions, State Department of Mental Retardation.

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

LIST OF EXTERNAL ADVISORS

INVESTMENT CONSULTANTS

Alignment Capital Management - Austin, Texas
CRA RogersCasey - Darien, Connecticut
Franklin Park Associates - Conshohocken, Pennsylvania
Pension Consulting Alliance - Portland, Oregon

MASTER CUSTODIAN

State Street Bank and Trust Co. - Boston, Massachusetts

AUDITORS

Auditors of Public Accounts - Hartford, Connecticut

INVESTMENT ADVISORS

CASH RESERVE ACCOUNT

State Street Global Advisors - Boston, Massachusetts

MUTUAL EQUITY FUND

Large Cap

BGI Barclays Global Investors, N.A. - San Francisco, California
State Street Global Advisors - Boston, Massachusetts

All Cap

Capital Prospects, LLC - Stamford, Connecticut
FIS Group, Inc. - Philadelphia, Pennsylvania

Small/Mid Cap Passive Enhance

AXA Rosenberg Investment Management - Orinda, California

Small/Mid Cap Active

Bivium Capital Partners - San Francisco, California
TCW Cowen Asset Management - New York, New York

INTERNATIONAL STOCK FUND⁽¹⁾

Index

State Street Global Advisors - Boston, Massachusetts

Core

Acadian Asset Management - Boston, Massachusetts
AQR Capital Management - Greenwich, Connecticut
Invesco Global Asset Management - Denver, Colorado
Julius Baer Investment Management - New York, New York
Progress Investment Management Company - San Francisco, California

Active - Growth

Clay Finlay, Inc. - New York, New York
MFS Institutional Advisors, Inc. - Boston, Massachusetts

Active - Value

Grantham, Mayo, Van Otterloo & Co. - Boston, Massachusetts

Small Cap

Schroder Investment Management - New York, New York

Emerging

Emerging Markets Management - Arlington, Virginia
Grantham, Mayo, Van Otterloo & Co. - Boston, Massachusetts

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

LIST OF EXTERNAL ADVISORS

Risk Controlled

Fidelity Management Trust Co. - Boston, Massachusetts
Merrill Lynch Investment Managers - Plainsboro, New Jersey

REAL ESTATE FUND

AEW Capital Management - Boston, Massachusetts
Apollo Real Estate Investment Fund - New York, New York
Canyon Johnson Urban Funds - Beverly Hills, California
Capri Capital Advisors - Chicago, Illinois
Cigna Realty Investors - Hartford, Connecticut
Macfarlane Urban Real Estate Fund - San Francisco, California
New Boston Fund - Boston, Massachusetts
RLJ Urban Lodging Fund - Bethesda, Maryland
Rockwood Capital - Greenwich, Connecticut
Starwood Global Opportunity Fund - Greenwich, Connecticut
Urban Strategy America Fund - Boston, Massachusetts
Walton Street Real Estate Fund II- Chicago, Illinois
Westport Senior Living Fund – Palm Beach Gardens, Florida

MUTUAL FIXED INCOME FUND

Core

BlackRock Financial Management, Inc. - New York, New York
Phoenix Investment Counsel - Hartford, Connecticut
Progress Investment Management Company - San Francisco, California
State Street Global Advisors - Boston, Massachusetts
Wellington - Boston, Massachusetts
Western Asset Management - Pasadena, California

High Yield

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

Emerging Market Debt

Ashmore Emerging Markets Debt Fund - London, England
Bridgewater Associates, Inc. - Greenwich, Connecticut

Inflation Linked Bonds

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

COMMERCIAL MORTGAGE FUND

AEW Capital Management, LP - Boston, Massachusetts

PRIVATE INVESTMENT FUND

Corporate Buyouts

AIG Healthcare Partners LP - New York, New York
Blackstone Capital Partners III - New York, New York
Boston Ventures V - Boston, Massachusetts
Charterhouse Equity Partners IV - New York, New York
Courthouse Square Capital Partners II - New York, New York
DLJ Merchant Banking Fund II- New York, New York
Ethos Private Equity Fund V - Jersey, Channel Islands
Forstmann Little Equity Fund VI- New York, New York

LIST OF EXTERNAL ADVISORS

FS Equity Partners V - Los Angeles, California
Green Equity Investors III – Los Angeles, California
Hicks Muse Tate & Furst Equity Fund III - Dallas, Texas
ICV Capital Partners LLC - New York, New York
Kelso Investment Associates VI - New York, New York
KKR 1996 Fund - New York, New York
KKR 2006 Fund - New York, New York
KKR Millenium Fund - New York, New York
Nogales Investors Fund II - Los Angeles, California
SCP Private Equity Partners - Wayne, Pennsylvania
Thayer Equity Investors IV – Washington D.C.
Thomas H. Lee Equity Fund IV - Boston, Massachusetts
Veritas Capital Fund- New York, New York
Wellspring Capital Partners II - New York, New York
Wellspring Capital Partners III - New York, New York
Welsh, Carson, Anderson & Stowe VIII – New York, New York
Welsh, Carson, Anderson & Stowe X – New York, New York

Venture Capital

Connecticut Futures Fund - Westport, Connecticut
Conning Capital Partners V - Hartford, Connecticut
Crescendo III – Minneapolis, Minnesota
Crescendo World Fund – Minneapolis, Minnesota
Grotech Partners V - Timonium, Maryland
RFE Investment Partners VI - New Canaan, Connecticut
Shawmut Equity Partners - Boston, Massachusetts
Syndicated Communications Venture Partners V - Silver Spring, Maryland

Mezzanine

GarMark Partners – Stamford, Connecticut
GarMark Partners II LP – Stamford, Connecticut
SW Pelham Fund - Hartford, Connecticut
SW Pelham Fund II LP - Hartford, Connecticut

International

AIG Global Emerging Markets Fund - New York, New York
Carlyle Asia Partners– Washington D.C.
Carlyle Europe Partners– Washington D.C.
Compass European Partners – New York, New York
Gilbert Global Equity Partners - Tacoma, Washington

Fund of Funds

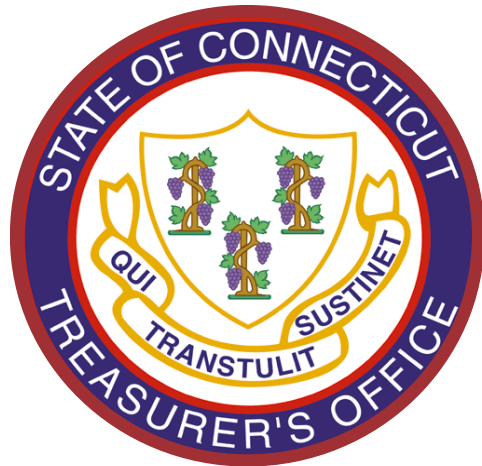
Fairview Constitution II LP - Farmington, Connecticut
Goldman Sachs Private Equity Fund - New York, New York
Landmark Private Equity Fund VIII – Simsbury, Connecticut
Lexington Capital Partners II - New York, New York
Parish Capital I LLP - Chapel Hill, North Carolina
Parish Capital Buyout Fund II - Chapel Hill, North Carolina
The Constitution Liquidating Fund - Farmington, Connecticut

Special Situations

Forstmann Little MBO VII - New York, New York
Greenwich Street Capital Partners II – New York, New York
KPS Special Situations Fund - New York, New York
Welsh, Carson, Anderson & Stowe Capital Partners III - New York, New York

Financial

Section



STATE OF CONNECTICUT



AUDITORS OF PUBLIC ACCOUNTS

STATE CAPITOL

210 CAPITOL AVENUE

HARTFORD, CONNECTICUT 06106-1559

KEVIN P. JOHNSTON

ROBERT G. JAEKLE

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of net assets of the Combined Investment Funds as of June 30, 2007, and the related statements of changes in net assets for the fiscal years ended June 30, 2007, and 2006. These financial statements are the responsibility of the management of the State Treasury. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

Our procedures included confirmation of securities owned as of June 30, 2007, by correspondence with the custodians. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Combined Investment Funds as of June 30, 2007, and the results of their operations and changes in net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As explained in Note 1B, the State Treasurer's policy is to present investments at fair value. The fair value of most of the assets of the Real Estate Fund, the Commercial Mortgage Fund and the Private Investment Fund are estimated by investment advisors in the absence of readily ascertainable market values, and reviewed and adjusted, when appropriate, by the State Treasurer. The fair value of most of the assets of the Real Estate Fund and the Private Investment Fund are presented at the cash adjusted fair values, which utilize the investment advisors' March 31, 2007, quarter ending estimated values adjusted for cash flows of the Funds during the subsequent quarter that affect the value at the Funds' level. Adjustments are made for underlying investments that experienced significant changes in value during the quarter, if deemed appropriate. We have reviewed the investment advisors' values, the relevant cash flows and the procedures used by the State Treasurer in reviewing the estimated values and have read underlying documentation and, in the circumstances, we believe the procedures to be reasonable and the documentation appropriate. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Our audit was made for the purpose of forming an opinion on the financial statements of the Combined Investment Funds taken as a whole. The Combined Investment Funds Schedule of Net Assets by Investment Fund, Schedules of Changes in Net Assets by Investment Fund, Total Net Asset Value by Pension Plans and Trust Funds and the Schedules of Investment Activity by Pension Plan and by Trust, contained within the Investment Section of this document, are presented for purposes of additional analysis and are not a required part of the financial statements of the Combined Investment Funds. Such information has been subjected to the auditing procedures applied in the audit of the financial statements of the Combined Investment Funds and, in our opinion, is fairly presented in all material respects in relation to the financial statements of the Combined Investment Funds taken as a whole. The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the Management's Discussion and Analysis and express no opinion on it.

This opinion is being issued for inclusion in an annual report for the State Treasurer's Combined Investment Funds for the fiscal year ended June 30, 2007. Other information contained within the Statistical Section and the Investment and Introductory Sections of this document has not been audited.



Kevin P. Johnston
Auditor of Public Accounts



Robert G. Jaekle
Auditor of Public Accounts

December 19, 2007
State Capitol
Hartford, Connecticut

This section presents Management's Discussion and Analysis (MD&A) of the Comprehensive Annual Financial Report (CAFR) of the State of Connecticut's Office of the Treasurer Combined Investment Funds (CIF) financial position and performance for the fiscal year ended June 30, 2007. It is presented as a narrative overview and analysis. Management of the State of Connecticut's Office of the Treasurer encourage readers to review it in conjunction with the transmittal letter included in the Introductory Section at the front of this report and the financial statements in the Financial Section that follow.

The Combined Investment Funds serve as an investment vehicle for the six State pension plans and eight trust funds collectively known as the Connecticut Retirement Plans and Trust Funds representing the pension funds of the State teachers, State and municipal employees, as well as non-retirement trust funds that support academic programs, grants and initiatives throughout the State and are managed for the sole benefit of the participants. CIF investments range in investment diversity from domestic and international stocks to fixed income, real estate and private investment equity. Investments of the pension plans and trust funds are combined in a commingled investment pool as authorized by state statute. Each pension plan and trust fund owns an equity position in the CIF and receives proportionate investment income from the CIF in accordance with each respective ownership percentage. Each pension plan and trust fund's allocated share of each type of investment in the CIF is shown in the Statement of Investment Activity of each respective pension plan and trust fund on pages 87-91. Investment gains or losses are also reported in the Statement of Investment Activity of each pensions plan and trust. The Market Value per share is therefore approximately the same for each of the pension plans and trust funds investments in the CIF.

The CIF financial statements reported by the Treasurer's Office for which the Treasurer has fiduciary responsibility for the investment thereof begin on page 20 and provide detailed information about individual funds.

FINANCIAL HIGHLIGHTS **Condensed Financial Information**

Combined Investment Funds

Net Assets and Changes in Net Assets

Net Assets -The net assets of the Combined Investment Funds at the close of the fiscal year were \$25.9 billion, an increase of \$3.1 billion from the previous year. The change in net assets resulted from a net increase in net assets from operations of \$3.9 billion partly offset by cash outflows of \$0.8 billion to make payments to beneficiaries of the Connecticut Retirement Plans and Trust Funds.

The net assets under management in the Combined Investment Funds at the close of the 2006 fiscal year were \$22.8 billion, an increase of \$1.5 billion from the prior year. The change in net assets resulted from a net increase in net assets from operations of \$2.2 billion partly offset by cash outflows of \$0.7 billion to make payments to beneficiaries of the Connecticut Retirement Plans and Trust Funds.

Operating Income – Favorable performance results achieved a positive return of 17.34%, net of all management fees and expenses, compared to a return of 10.55%, net of all expenses for the previous fiscal year. Positive returns in the Funds' investment classes were realized in fiscal year 2007 despite higher market volatility as a result of higher oil prices and rising interest rates.

The Funds' annual return of 17.34%, net of expenses, was 66 basis points below the benchmark of 18.0 %, a hybrid benchmark customized to reflect the CRPTF's asset allocation and performance objectives.

For the previous fiscal year, favorable performance results achieved a positive return of 10.55%, net of all management fees and expenses, compared to a return of 10.46%, net of all expenses in fiscal year 2005. Returns were positive in all of the Funds' investment classes in fiscal year 2006 despite higher market volatility resulting from increasing oil prices and rising interest rates.

The Funds' annual return in 2006, net of expenses, of 10.55% exceeded its benchmark by 54 basis points.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Net Assets held in trust for Participants

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

Condensed Statement of Net Assets Fiscal Year Ended June 30,

Assets	2007	Increase (Decrease)	2006	Increase (Decrease)	2005
Investments at Fair Value	\$26,774,529,258	\$3,291,631,216	\$23,482,898,042	\$1,909,633,425	\$21,573,264,617
Cash, Receivables and Other	14,440,454,574	(1,705,448,726)	16,145,903,300	3,933,160,855	12,212,742,445
Total Assets	41,214,983,832	1,586,182,490	39,628,801,342	5,842,794,280	33,786,007,062
Liabilities	(15,286,692,899)	1,525,335,471	(16,812,028,370)	(4,325,170,910)	(12,486,857,460)
Net Assets	<u>\$25,928,290,933</u>	<u>\$3,111,517,961</u>	<u>\$22,816,772,972</u>	<u>\$1,517,623,370</u>	<u>\$21,299,149,602</u>

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

Additions	2007	Increase (Decrease)	2006	Increase (Decrease)	2005
Dividends	\$558,946,426	\$33,380,675	\$525,565,751	\$25,325,909	\$500,239,842
Interest	396,010,436	45,223,955	350,786,481	48,733,880	302,052,601
Securities Lending & Other Income	176,659,044	52,045,982	124,613,062	48,593,890	76,019,172
Total Investment Income	1,131,615,906	130,650,612	1,000,965,294	122,653,679	878,311,615
Total Investment Expenses	212,288,357	34,279,589	178,008,768	65,886,061	112,122,707
Net Investment Income	919,327,549	96,371,023	822,956,526	56,767,618	766,188,908
Net Realized Gain/(Loss)	1,524,106,972	638,075,498	886,031,474	187,367,321	698,664,153
Net Change in Unrealized Gains on Investments	1,472,313,628	951,883,498	520,430,130	(70,724,973)	591,155,103
Net Increase in Net Assets resulting from operations	3,915,748,149	1,686,330,019	2,229,418,130	173,409,966	2,056,008,164
Purchase of Units by Participants	3,643,749,793	1,813,917,880	1,829,831,913	197,508,729	1,632,323,184
Total Additions	7,559,497,942	3,500,247,899	4,059,250,043	370,918,695	3,688,331,348
Deductions					
Administrative Expense	3,186,833	(227,947)	2,958,886	(279,238)	2,679,648
Distribution of Income to Unit Owners	911,909,883	(109,376,336)	802,533,547	57,108,208	859,641,755
Redemption of Units by Participants	3,532,883,269	(1,796,749,027)	1,736,134,242	(19,884,123)	1,716,250,119
Total Deductions	4,447,979,985	(1,906,353,311)	2,541,626,675	36,944,847	2,578,571,522
Change in Net Assets	3,111,517,957	1,593,894,589	1,517,623,368	407,863,542	1,109,759,826
Beginning Net Assets	22,816,772,976	1,517,623,374	21,299,149,602	1,109,759,826	20,189,389,780
Ending Net Assets	<u>\$25,928,290,933</u>	<u>\$3,111,517,961</u>	<u>\$22,816,772,972</u>	<u>\$1,517,623,370</u>	<u>\$21,299,149,602</u>

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is an introduction to the Office of the Treasurer's Combined Investment Funds basic financial statements, which are comprised of: 1) Statement of Net Assets, 2) Statement of Changes in Net Assets and 3) Notes to the Financial Statements.

The Statement of Net Assets and the Statement of Changes in Net Assets are two financial statements that report information about the Combined Investment Funds. These statements include all assets and liabilities using the accrual basis of accounting. The current year's revenues and expenses are taken into account regardless of when cash is received or paid.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the Combined Investment Funds financial statements. The notes can be found on pages 23-34 of this report.

ECONOMIC CONDITIONS AND OUTLOOK

As we entered fiscal year 2007, the U.S. economy moved into a period of transition characterized by the unenviable position of slowing growth and increasing inflation following fiscal year 2006 in which economic growth began to moderate after three years of strong economic performance. The Federal Reserve held interest rates steady throughout the fiscal year at 5.25 percent as higher energy prices decreased consumer discretionary spending and rumors of a recession contributed to the trend of slower economic growth. In addition, the slump in housing that began in 2006 has sent delinquencies on subprime mortgages, loans made to individuals with weak credit histories, soaring to record levels and has caused a serious credit crunch as investors have grown worried about other types of loans, significantly impacting financial markets.

As Fiscal Year 2008 begins, the Federal Open Market Committee (FOMC) lowered its target for the federal funds rate by 100 basis points to 4.25 percent to help forestall some adverse effects on the broader economy that might otherwise arise from disruptions in financial markets and to promote moderate growth. Without the FOMC action, the tightening of credit conditions has the potential to intensify the housing correction and to restrain economic growth. The Fed is expected to reduce the federal funds rate further if necessary to calm financial markets and keep the slump in housing from pushing the country into a recession.

CONTACTING THE OFFICE OF THE TREASURER

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

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**STATEMENT OF NET ASSETS
JUNE 30, 2007**

	<u>TOTAL</u>
ASSETS	
Investments in Securities, at Fair Value	
Cash Reserve Fund	\$ -
Cash Equivalents	1,590,061,034
Asset Backed Securities	308,135,475
Government Securities	1,703,293,839
Government Agency Securities	2,304,336,793
Mortgage Backed Securities	1,092,755,342
Corporate Debt	1,919,344,710
Convertible Securities	29,186,311
Common Stock	15,172,548,750
Preferred Stock	115,590,376
Real Estate Investment Trust	164,255,624
Mutual Fund	433,910,162
Limited Liability Corporation	4,289,757
Trusts	7,147,382
Limited Partnerships	1,929,672,737
Annuities	966
Total Investments in Securities, at Fair Value	<u>26,774,529,258</u>
Cash	48,675,567
Receivables	
Foreign Exchange Contracts	9,939,569,546
Interest Receivable	85,728,133
Dividends Receivable	19,438,891
Due from Brokers	727,811,747
Foreign Taxes	4,080,116
Securities Lending Receivable	1,272,736
Reserve for Doubtful Receivables	<u>(12,005,169)</u>
Total Receivables	10,765,896,000
Invested Securities Lending Collateral	3,622,298,350
Prepaid Expenses	<u>3,584,657</u>
Total Assets	<u>41,214,983,832</u>
 LIABILITIES	
Payables	
Foreign Exchange Contracts	9,901,646,831
Due to Brokers	1,751,561,508
Other Payable	17,819
Income Distribution	<u>1,276,217</u>
Total Payables	11,654,502,375
Securities Lending Collateral	3,622,298,350
Accrued Expenses	<u>9,892,174</u>
Total Liabilities	<u>15,286,692,899</u>
 NET ASSETS	 <u>\$ 25,928,290,933</u>

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

ADDITIONS	<u>TOTAL</u>
OPERATIONS	
Investment Income	
Dividends	\$ 558,946,426
Interest	396,010,436
Other Income	6,960,432
Securities Lending	169,698,612
Total Income	<u>1,131,615,906</u>
Investment Expenses	
Investment Advisory Fees	50,980,419
Custody and Transfer Agent Fees	117,898
Professional Fees	2,172,365
Security Lending Fees	2,477,375
Security Lending Rebates	156,259,586
Investment Expenses	280,714
Total Investment Expenses	<u>212,288,357</u>
Net Investment Income	919,327,549
Net Realized Gain (Loss)	1,524,106,972
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	<u>1,472,313,628</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	3,915,748,149
Unit Transactions	
Purchase of Units by Participants	3,643,749,793
TOTAL ADDITIONS	<u>7,559,497,942</u>
DEDUCTIONS	
Administrative Expenses:	
Salary and Fringe Benefits	(3,186,833)
Distributions to Unit Owners:	
Income Distributed	(911,909,883)
Unit Transactions	
Redemption of Units by Participants	<u>(3,532,883,269)</u>
TOTAL DEDUCTIONS	<u>(4,447,979,985)</u>
CHANGE IN NET ASSETS	<u>3,111,517,957</u>
Net Assets- Beginning of Period	<u>22,816,772,976</u>
Net Assets- End of Period	<u>\$ 25,928,290,933</u>

The accompanying notes are an integral part of these financial statements

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

ADDITIONS OPERATIONS	<u>TOTAL</u>
Investment Income	
Dividends	\$ 525,565,751
Interest	350,786,481
Other Income	2,466,219
Securities Lending	122,146,843
Total Income	<u>1,000,965,294</u>
Investment Expenses	
Investment Advisory Fees	64,365,142
Custody and Transfer Agent Fees	96,982
Professional Fees	1,960,211
Security Lending Fees	2,406,733
Security Lending Rebates	108,848,718
Other Investment Expenses	330,982
Total Investment Expenses	<u>178,008,768</u>
Net Investment Income	822,956,526
Net Realized Gain (Loss)	886,031,474
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	<u>520,430,130</u>
Net Increase (Decrease) in Net Assets Resulting from Operations	2,229,418,130
Unit Transactions	
Purchase of Units by Participants	1,829,831,913
TOTAL ADDITIONS	<u>4,059,250,043</u>
DEDUCTIONS	
Administrative Expenses:	
Salary and Fringe Benefits	(2,958,886)
Distributions to Unit Owners:	
Income Distributed	(802,533,547)
Unit Transactions	
Redemption of Units by Participants	(1,736,134,242)
TOTAL DEDUCTIONS	<u>(2,541,626,675)</u>
CHANGE IN NET ASSETS	<u>1,517,623,368</u>
Net Assets- Beginning of Period	21,299,149,602
Net Assets- End of Period	<u>\$ 22,816,772,972</u>

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

A. NEW PRONOUNCEMENTS

There were no relevant new pronouncements for the fiscal year ending June 30, 2007.

B. SECURITY VALUATION

Investments are stated at fair value for each of the Funds as described below. For the Commercial Mortgage Fund, the investments listed on the Statement of Net Assets, other than the amounts invested in the Cash Reserve Fund, are shown at fair values provided to the Fund by the investment advisor, and adjusted, when appropriate, by the Treasurer's staff. For the Real Estate and Private Investment Funds substantially all of the investments, other than those in the Cash Reserve Fund, are shown at values that are estimated by the Treasurer's staff. Such estimations utilize the investment advisors' prior quarter end estimated fair value, plus or minus the appropriate related cash flows as described later in this section. The Treasurer's staff reviews the valuations for all investments in these alternative asset classes (Commercial Mortgage, Real Estate, and Private Investment Funds) to see that they are reasonable and consistent. Due to the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the securities existed and the differences could be material.

Cash Reserve Fund

Investments are valued at amortized cost, which approximates fair value. Repurchase Agreements held are collateralized at 102 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.

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.

Mutual 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.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

The Mutual Fixed Income Fund invests in Mortgage Backed Securities (MBSs) and Asset Backed Securities (ABSs), which are included in the Statement of Net Assets. These are bonds issued by a special purpose trust that collects payments on an underlying collateral pool of mortgage or other loans and remits payments to bondholders. The bonds are structured in a series of classes or tranches, each with a different coupon rate and stated maturity date. Interest payments to the bondholders are made in accordance with the trust indentures and amounts received from borrowers in excess of interest payments and expenses are used to amortize the principal on the bonds. Such principal payments are made to retire the tranches of bonds in order of their stated maturity. Because mortgage prepayments are largely dependent on market interest rates, the ultimate maturity date of the bonds is unpredictable and is sensitive to changes in market interest rates, but is generally prior to the stated maturity date. At June 30, 2007, the Fund held MBSs of \$979,447,824 and ABSs of \$165,135,475.

Interest-only stripped mortgage backed securities (IOs), a specialized type of Collateralized Mortgage Obligation (CMO), are included as Mortgage Backed Securities on the statement of Net Assets. The cash flow on these investments is derived from the interest payments on the underlying mortgage loans. Prepayments on the underlying loans curtail these interest payments, reducing the value of the IOs and, as such, these instruments are extremely sensitive to changes in interest rates, which encourage or discourage such prepayments. At June 30, 2007 the Fund's holdings had a fair value of \$1.2 million and a cost of \$34.9 million. 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 Mutual Fixed Income Fund are authorized to invest in global fixed income securities.

International Stock Fund

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

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

Real Estate Fund

Investments in securities not listed on security exchanges and investments in trusts, limited partnerships, and annuities, which comprise substantially all of the Fund's investments, are carried at the cash adjusted fair value. The cash adjusted fair value utilizes the prior calendar quarter end fair value as estimated by the investment advisor, (i) plus cash flows relating to capitalized expenses and principal contributions disbursed from and (ii) minus amounts received by the Real Estate Fund, to estimate the current fair value. At June 30, 2007 one partnership is being reported at cost. The Treasurer's staff reviews the prior quarter estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, this estimated fair value is adjusted accordingly. Additionally, the staff monitors the estimated cash adjusted fair values against the estimated values subsequently reported by the investment advisors. In the event of significant total Fund-level differences between the cash adjusted estimates and the investment advisors' estimated values, adjustments to the reported cash adjusted fair values are made to prevent overstatement. At June 30, 2007, the estimated investment values provided by the investment advisors, net of the adjustments noted above, exceeded cash adjusted fair values reported on the Statement of Net Assets by approximately \$9.7 million. Consistent with the cash adjusted fair value presentation this increase will be considered for the next quarter's adjustment.

Commercial Mortgage Fund

This Fund invests in commercial mortgage loans and mortgage backed securities generally through indirect ownership vehicles such as trusts and corporations. The value of the Fund's interest in these entities is based on the fair value of the underlying commercial loan portfolio or securities held. Fair value for the mortgage portfolio is computed by discounting the expected cash flows of the loans at a rate commensurate with the risk inherent in the loans. The discount rate is determined using the yield on U.S. Treasury securities of comparable remaining maturities plus an appropriate market spread for credit and liquidity risk. The Fund does not record fair values in excess of amounts at which the borrower could settle

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

the obligation, giving effect to any prepayment premiums. In the event that the fair value of the loan collateral, based on an appraisal, is less than the outstanding principal balance, the collateral value is used as fair value. These calculations are performed by the investment advisor and reviewed by Treasury personnel.

Private Investment Fund

The Private Investment Fund is comprised of investments in various limited partnerships, limited liability companies and securities. The general partner or managing member is the investment advisor and is compensated on a fee basis for management services in addition to its participation in partnership profits and losses. These investments are carried at their cash adjusted fair values. The cash adjusted fair value utilizes the prior quarter fair value as estimated by the investment advisor, (i) plus cash flows relating to capitalized expenses and principal contributions disbursed from and (ii) minus amounts received by the Private Investment Fund, to estimate the current fair value. The Treasurer's staff reviews the prior quarter estimated fair values provided by the investment advisors for reasonableness. In those instances where an advisor's value appears to be overstated, the estimated fair value is adjusted accordingly. Additionally, the staff monitors the estimated cash adjusted fair values against the estimated values subsequently reported by the investment advisors. In the event of significant total Fund-level differences between the cash adjusted estimates and the investment advisors' estimated values, adjustments of reported cash adjusted values are made to prevent overstatement. At June 30, 2007, the estimated investment values provided by the investment advisors, net of the adjustments noted above, exceeded cash adjusted fair values reported on the Statement of Net Assets by approximately \$93.2 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. Corporate bonds and certain over-the-counter stocks are valued at the mean of bid and asked prices as furnished by broker-dealers.

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

C. INVESTMENT TRANSACTIONS AND RELATED INCOME

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

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

D. FOREIGN CURRENCY TRANSLATION

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

E. SHARE TRANSACTIONS AND PRICING

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

F. EXPENSES

Expenses of the funds are recognized on the accrual basis and are deducted in calculating net investment income and net asset value on a monthly basis. Fees and expenses of the Real Estate Fund are generally recognized when paid, by netting them against dividends received. Each of the funds bears its direct expenses, such as investment advisory fees, and, in addition, each of the funds is allocated a portion of the overhead expenses of the Pension Funds Management Division of the Office of the State Treasurer, which services the funds. These expenses include salary and fringe benefit costs and other administrative expenses. Certain of these costs are allocated among the Funds based on relative net asset values. Other costs are charged directly based on the specific duties of personnel.

G. DISTRIBUTIONS

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

H. DERIVATIVE FINANCIAL INSTRUMENTS

GASB Technical Bulletin No. 2003-1 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 underlying (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, 2007, the funds maintained positions in a variety of such securities that are all reported at fair value on the statement of net assets. The Cash Reserve Fund held adjustable rate and asset-backed securities. The Mutual Fixed Income Fund held CMOs, including IOs, and other asset backed securities, indexed Treasury securities and option contracts. The International Stock and Mutual Fixed Income Funds were invested in foreign exchange contracts and the Commercial Mortgage Fund held CMOs and CMO residuals. The underlying holdings of the Private Investment Fund and the Real Estate Fund held currency exchange contracts and swaps. These financial instruments are utilized for trading and other purposes. Those that are used for other than trading purposes are foreign exchange contracts, which can be used to facilitate trade settlements, and may serve as foreign currency hedges. The credit exposure resulting from such contracts is limited to the recorded fair value of the contracts on the Statement of Net Assets.

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

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

I. COMBINATION/ELIMINATION ENTRY

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

J. FEES AND REALIZED GAINS

Investment advisory fees incurred for the Private Investment Fund are generally charged to the entity in which the Fund has been invested. In such cases, these amounts are either capitalized in the cost basis of the investment and become a component of unrealized gain (loss) or are netted against the corresponding income generated. Certain other fees are incurred directly by the Funds. These amounts are expensed and are reflected as Investment Advisory Fees on the Statement of Operations. The appropriate treatment is determined depending on the terms of the investment agreement. Capitalized fees are not separately presented on the Statement of Operations. These fees are borne by the partners in their respective shares. The following is a listing of the Fund's total fees for the fiscal year ended June 30, 2007:

	Netted	Capitalized	Expensed	Total
Private Investment Fund	\$ 10,476,253	\$ 12,412,301	\$ 3,637,161	\$ 26,525,715

In addition, realized gains and losses are not reported at the level of the Fund's investment since these relate to realized gains and losses on the underlying securities held by the Funds' investment vehicles. The Fund's share of such net realized gains for the fiscal year ended June 30, 2007 totaled \$200,646,282 and was recorded as dividends on the Statement of Changes in Net Assets.

The Private Investment Fund recorded write downs in various underlying holdings. The amounts of such write downs properly reflect that impaired investments are realized in the year losses become apparent. Approximately \$204,363,047 was recorded as a realized loss on the Statement of Changes in Net Assets.

Periodically the Private Investment Fund may receive stock distributions in lieu of cash. These securities are included as common stock on the Statement of Net Assets. When one of these individual securities is sold the realized gain or loss is presented on the Statement of Operations. Realized loss for such transactions for the fiscal year ended June 30, 2007 were \$7,557,848.

The Mutual Equity Fund includes an investment in a mutual fund. Fees incurred are deducted from the operations of the fund and are not separately presented on the Statement of Operations. The corresponding fees incurred for the fiscal year ended June 30, 2007 totaled \$353.

The Mutual Fixed Income Fund includes an investment in a mutual fund. Fees incurred are deducted from the operations of the fund and are not separately presented on the Statement of Operations. The corresponding fees incurred for the fiscal year ended June 30, 2007 totaled \$1,881,423.

The International Stock Fund includes an investment in a mutual fund. Fees incurred are deducted from the operations of the fund and are not separately presented on the Statement of Operations. The corresponding fees incurred for the fiscal year ended June 30, 2007 totaled \$982,131.

Investment advisory fees incurred for certain investments in the Real Estate Fund are generally charged to the entity in which the Fund has been invested. In such cases, these amounts are either capitalized in the cost basis of the investment and become a component of unrealized gain (loss) or are netted against the corresponding income generated. Certain other fees are incurred directly by the Funds. These amounts are expensed and are reflected as Investment Advisory Fees on the Statement of Operations. The appropriate treatment is determined depending on the terms of the investment agreement. Capitalized fees are not separately presented on the Statement of Operations. These fees are borne by the partners in their respective shares. The following is a listing of the Fund's total fees for the fiscal year ended June 30, 2007:

	Netted	Capitalized	Expensed	Total
Real Estate Fund	\$ 5,192,146	\$ 2,810,257	\$ 721,844	\$ 8,724,247

Investment advisory fees for the Cash Reserve, Mutual Equity, Mutual Fixed Income (except as noted above) and International Stock Funds are estimated monthly based on periodic reviews of asset values and performance results. Accordingly, the amounts listed as Investment Advisory Fees on the Statement of Operations represent estimates of annual management fee expenses.

K. RECLASSIFICATIONS

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

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

Deposits:

The Funds minimize custodial credit risk by maintaining certain restrictions set forth in the Investment Policy Statement. Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure the Funds would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. The Funds utilize a Cash Reserve 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, 2007, the reported amount of Funds deposits were \$48,675,567 and the bank balance was \$48,675,567. Of the bank amount, \$48,675,567 was uncollateralized and uninsured. Through the Securities Lending Program \$3,777,223,233 was collateralized with securities held by the counterparty's trust department or agent but not in the State's name.

Investments:

Pursuant to the Connecticut General Statutes, the Treasurer is the principal fiduciary of the Funds, authorized to invest in a broad range of equity and fixed income securities, as well as real estate properties, mortgages and private equity. The Funds minimizes credit risk, the risk of loss due to the failure of the security issuer or backer, in accordance with a comprehensive Investment Policy Statement (IPS), as developed by The Office of the Treasurer and the State's Investment Advisory Council (IAC), that provides policy guidelines for the Funds and includes an asset allocation plan. The asset allocation plan's main objective is to maximize investment returns over the long term at an acceptable level of risk. There have been no violations of these investment restrictions during the 2007 fiscal year.

The Funds concentration of credit risk is the risk attributed to the magnitude of an investment in a single issuer. There can be no more than 5% of the total portfolio market value invested in securities excluding Government Securities and Government Agency Securities. As of June 30, 2007 the Fund did not hold any such securities in excess of 5%.

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

	Fair Value	Cash Equivalents	Asset Backed Securities	Government Securities	Government Agency Securities	Mortgage Backed Securities	Corporate Debt	Convertible Debt	Mutual Fund
Aaa	\$4,200,344,500	\$698,054	\$301,577,029	\$1,512,888,241	\$1,333,416,739	\$841,452,229	\$210,312,208	\$ -	\$ -
Aa	518,160,785	-	-	16,084,610	-	1,553,508	500,288,649	234,018	-
A	248,951,649	-	238,320	11,775,184	-	1,679,750	234,446,214	812,181	-
Baa	453,794,952	-	2,948,166	50,286,132	-	13,264,446	387,296,208	-	-
Ba	156,803,070	-	-	44,730,210	-	3,356,734	107,991,976	724,150	-
B	286,242,355	-	-	25,316,857	-	-	259,692,686	1,232,812	-
Caa	81,117,819	-	-	-	-	8,066,205	65,773,102	7,278,512	-
Ca	138,380	-	-	-	-	138,380	-	-	-
C	1,127,306	-	-	-	-	1,127,306	-	-	-
Prime 1	705,829,319	670,829,319	-	-	-	-	35,000,000	-	-
Not Rated	2,557,137,894	918,533,661	3,371,960	42,212,605	970,920,054	222,116,784	118,543,667	18,904,638	262,534,525
	<u>\$9,209,648,029</u>	<u>\$1,590,061,034</u>	<u>\$308,135,475</u>	<u>\$ 1,703,293,839</u>	<u>\$2,304,336,793</u>	<u>\$1,092,755,342</u>	<u>\$1,919,344,710</u>	<u>\$29,186,311</u>	<u>\$262,534,525</u>

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

The investments in the Private Equity Fund, Real Estate Fund and Commercial Mortgage Fund 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 Cash Reserve, Mutual Equity, Mutual Fixed Income and the International Stock Funds were securities registered under the State Street Bank and Trust Co. nominee name Pondwave & Co. and held by a designated agency of the Pension Plans and Trust Funds of the State of Connecticut, or bearer and held by a designated agency of the Pension Plans and Trust Funds of the State of Connecticut.

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

Investment	Fair Value
Government Securities	\$18,503,499
Government Agency Securities	25,032,846
U.S. Corporate Stock	62,335,711
International Equity	57,129,331
Collateral Securities held by Investment Pools under Securities Lending Arrangements:	
Other	586,765,205
Corporate Debt	3,027,456,641
Total	<u><u>\$3,777,223,233</u></u>

The following table provides information about the interest rate risks associated with the Funds investments. Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity tend to be more sensitive to changes in interest rates and therefore, more volatile than those with shorter maturities. Investment Managers that manage the CRPTF portfolio are given full discretion to manage their portion of CRPTF assets within their respective guidelines and constraints. The guidelines and constraints require each manager to maintain a diversified portfolio at all times. In addition, each core manager is required to maintain a target duration that is similar to its respective benchmark which is typically the Lehman Brothers 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	\$ 1,590,061,034	\$1,459,507,338	\$125,996,831	\$ -	\$4,556,865
Asset Backed Securities	308,135,475	-	287,190,037	20,377,477	567,961
Government Securities	1,703,293,839	20,095,867	600,215,782	468,767,343	614,214,847
Government Agency Securities	2,304,336,793	192,874	24,608,065	58,072,224	2,221,463,630
Mortgage Backed Securities	1,092,755,342	10,514,790	15,062,524	60,972,693	1,006,205,335
Corporate Debt	1,919,344,710	214,699,669	725,384,081	532,517,039	446,743,921
Convertible Debt	29,186,311	3,763,266	19,465,664	3,264,612	2,692,769
Mutual Fund	262,534,525	-	-	-	262,534,525
	<u>\$9,209,648,029</u>	<u>\$1,708,773,804</u>	<u>\$ 1,797,922,984</u>	<u>\$1,143,971,388</u>	<u>\$4,558,979,853</u>

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Foreign Currency	Total	Cash	Fixed Income Securities				Equities		
			Government Securities	Mutual Funds	Corporate Debt	Convertible Securities	Common Stock	Preferred Stock	Real Estate Investment Trust
Argentine Peso	\$536,583	\$39,833	\$ -	-	\$ -	\$ -	\$496,750	\$ -	\$ -
Australian Dollar	179,678,868	2,026,026	-	-	-	-	177,652,842	-	-
Brazilian Real	86,116,317	249,106	-	-	5,432,765	-	23,481,214	56,953,232	-
Canadian Dollar	24,011,077	41,442	-	-	1,143,136	-	22,826,499	-	-
Chilean Peso	2,246,118	28,025	-	-	-	-	1,835,071	383,022	-
Czech Koruna	7,415,979	174,464	-	-	-	-	7,241,515	-	-
Danish Krone	32,624,979	278,918	-	-	395	-	32,345,666	-	-
Egyptian Pound	113,460	424	-	-	-	-	113,036	-	-
Euro Currency	1,677,517,436	3,651,678	22,820,221	1,492,529	500,250	494,775	1,617,297,334	31,260,649	-
Hong Kong Dollar	192,958,420	1,374,316	-	-	-	-	191,278,949	-	305,155
Hungarian Forint	20,371,939	91,992	-	-	-	-	20,279,947	-	-
Indonesian Rupiah	15,474,484	86,321	-	-	859,684	-	14,528,479	-	-
Israeli Shekel	10,361,312	-	-	-	-	-	10,361,312	-	-
Japanese Yen	977,374,499	17,107,088	10,637,200	-	3,207,088	1,242,735	944,250,925	-	929,463
Malaysian Ringgit	71,676,486	(126,637)	-	-	-	-	71,803,123	-	-
Mexican Peso	43,273,694	600,795	13,984,185	-	-	-	28,688,714	-	-
New Taiwan Dollar	101,581,656	528,189	-	-	-	-	101,053,467	-	-
New Turkish Dollar	24,367,249	355	-	-	-	-	24,366,894	-	-
New Zealand Dollar	8,651,137	1,736,243	-	-	3,931,982	-	2,982,912	-	-
Norwegian Krone	39,191,926	192,424	-	-	-	-	38,999,502	-	-
Pakistan Rupee	6,141	6,141	-	-	-	-	-	-	-
Peruvian Nouveau Sol	513,220	-	-	-	-	-	513,220	-	-
Philippine Peso	16,130,013	32,904	-	-	-	-	16,097,109	-	-
Polish Zloty	32,918,621	59,870	-	-	-	-	32,858,751	-	-
Pound Sterling	879,240,961	5,174,654	-	-	12,389,095	-	849,712,715	-	11,964,497
Singapore Dollar	81,733,662	3,365,114	5,178,855	-	7,766,949	-	62,074,984	-	3,347,760
South African Rand	53,259,473	586	-	-	-	-	53,258,887	-	-
South Korean Won	382,900,332	1,826,956	-	-	-	-	356,876,368	24,197,008	-
Swedish Krona	121,036,792	2,206,535	-	-	-	-	118,830,257	-	-
Swiss Franc	317,655,982	857,944	-	-	-	-	316,798,038	-	-
Thailand Baht	40,993,115	(26,808)	-	-	-	-	41,019,923	-	-
	<u>\$5,441,931,931</u>	<u>\$41,584,898</u>	<u>\$52,620,461</u>	<u>\$1,492,529</u>	<u>\$35,231,344</u>	<u>\$1,737,510</u>	<u>\$5,179,924,403</u>	<u>\$112,793,911</u>	<u>\$16,546,875</u>

Securities Lending

Certain of the Funds engage in securities lending transactions to provide incremental returns to the Funds. The Funds are permitted to enter into securities lending transactions pursuant to Section 3-13d of the Connecticut General Statutes. The Funds' master custodian is authorized to lend available securities to authorized broker-dealers and banks subject to a form loan agreement.

During the period ended June 30, 2007, the master custodian lent, at the direction of the Funds, securities and received cash (in both U.S. and foreign currency), U.S. government securities, sovereign debt rated A or better, convertible bonds, and irrevocable bank letters of credit as collateral. The master custodian did not have the ability to pledge or sell collateral securities delivered therefore absent a borrower default. Borrowers were required to deliver collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading market was located in the United States or sovereign debt issued by foreign governments, 102% of the market value of the loaned securities; and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States, 105% of the market value of the loaned securities.

The Funds did not impose any restrictions during the fiscal year on the amount of the loans that the master custodian made on its behalf and the master custodian indemnified the Funds by agreeing to purchase replacement securities, or return the cash collateral thereof 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. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers of the master custodian. During the fiscal year, the Funds and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested in an individual account known as the State of Connecticut Collateral Investment Trust. On June 30, 2007, the Funds had no credit risk exposure to borrowers. The value of collateral held and the market value of securities on loan for the Funds as of June 30, 2007 were \$3,793,859,684 and \$ 3,691,664,498 respectively.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Under ordinary circumstances, the average effective duration of the security lending operations will be managed such that it will not exceed 120 days, or fall below 1 day. Under such ordinary circumstances, the net duration, as defined by the duration of assets less the duration of liabilities, will not exceed 45 days. In the event that the average effective duration does exceed 120 days, or the net duration does exceed 45 days for any 3-day period, the Trustee shall, (i) notify the Funds within 5 business days and (ii) take appropriate action as is reasonable to return an average effective duration below 120 days or a net duration below 45 days. The average effective duration is calculated using the weighted average effective duration of holdings. The average effective duration of the security lending program at June 30, 2007 was 70 days.

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

The fair value of collateral held and the fair value of securities on loan are as follows for the Funds as of June 30, 2007:

Fund	Fair Value of Collateral	Fair Value of Securities Lent
Mutual Equity	\$ 1,595,644,090	\$ 1,544,003,572
International Stock	761,549,605	728,112,328
Mutual Fixed Income	1,448,681,974	1,419,548,598
Total	\$ 3,805,875,669	\$ 3,691,664,498

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

Fund	Cash Equivalents	Corporate Debt	Total Investments
Mutual Equity	\$114,041,272	\$ 588,404,024	\$ 702,445,296
International Stock	226,722,261	1,169,789,564	1,396,511,825
Mutual Fixed Income	246,001,672	1,269,263,053	1,515,264,725
Total	\$586,765,205	\$3,027,456,641	\$3,614,221,846

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

NOTE 3: PURCHASES AND SALES OF INVESTMENT SECURITIES

For the period ended June 30, 2007, the aggregate cost of purchases and proceeds from sales of investment securities (excluding all U.S. Government securities and short-term securities) were as follows:

Fund	Purchases	Sales
Mutual Equity	\$ 4,574,874,391	\$ 5,160,240,973
Mutual Fixed Income	21,141,116,569	20,178,797,186
International Stock	5,271,583,864	6,086,453,185
Real Estate	297,511,649	71,721,517
Commercial Mortgage	-	-
Private Investment	337,038,766	12,683,010

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, 2007, the gross appreciation of investment securities and foreign currency in which there was an excess of fair value over cost, the gross depreciation of investment securities and foreign currency in which there was an excess of cost over fair value and the resulting net appreciation (depreciation) by fund were as follows:

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Fund	Gross Appreciation	Gross Depreciation	Net Appreciation (Depreciation)
Mutual Equity	\$ 2,433,834,430	\$ 251,364,724	\$ 2,182,469,706
Mutual Fixed Income	110,878,792	177,444,412	(66,565,620)
International Stock	1,712,839,923	66,124,581	1,646,715,342
Real Estate	66,457,991	20,228,564	46,229,427
Commercial Mortgage	407,839	-	407,839
Private Investment	119,502,287	220,595,339	(101,093,052)

NOTE 5: FOREIGN EXCHANGE CONTRACTS

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

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

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

At June 30, 2007, the Funds had recorded unrealized gains (losses) from open forward currency contracts as follows:

International Stock Fund:		
Foreign Currency	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Australian Dollar	\$ 232,357,521	\$ 6,084,213
Brazilian Real	948,429	3,842
Canadian Dollar	68,622,157	2,277,192
Danish Krone	8,325,582	3,555
Euro Currency	1,058,072,567	5,596,892
Hong Kong Dollar	40,059,787	(38,011)
Indonesian Rupiah	248,691	103
Japanese Yen	857,238,080	(15,659,358)
Malaysian Ringgit	612,409	(300)
New Zealand Dollar	40,829,585	832,938
Norwegian Krone	11,675,122	121,848
Philippine Peso	85,658	123
Polish Zloty	9,960	6,353
Pound Sterling	346,636,467	7,221,290
Singapore Dollar	128,996,646	(566,751)
South Korean Won	34,557,867	138,955
Swedish Krona	168,356,034	(731,740)
Swiss Franc	210,712,442	1,626,208
Thailand Baht	116,179	(252)
	\$ 3,208,461,183	\$ 6,917,100
Contracts to Sell:		
Australian Dollar	\$ 151,678,353	\$ (1,968,669)
Brazilian Real	35,980	(97)
Canadian Dollar	413,220	(1,171)
Danish Krone	20,031,775	(46,372)
Euro Currency	2,203,011,260	(13,124,212)
Hong Kong Dollar	90,671,878	155,536
Japanese Yen	2,216,621,821	57,249,730

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

Malaysian Ringgit	1,055,726	(4,212)
New Zealand Dollar	14,906,093	(484,043)
Norwegian Krone	22,652,266	(352,179)
Philippine Peso	40,610	(114)
Pound Sterling	936,721,427	(9,721,135)
Singapore Dollar	209,028,638	308,136
South Korean Won	87,809,657	(801,064)
Swedish Krona	222,062,320	(1,174,654)
Swiss Franc	381,553,589	2,382,658
Thailand Baht	98,318	(162)
	<u>6,558,392,931</u>	<u>32,417,976</u>
Total	\$ 9,766,854,114	\$ 39,335,076

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$9,766,854,114	\$9,766,854,114	\$ -
Unrealized Gain/(Loss)	6,917,100	32,417,976	39,335,076
Net	<u>\$ 9,773,771,214</u>	<u>\$9,734,436,138</u>	<u>\$ 39,335,076</u>

Mutual Fixed Income Fund:

Foreign Currency	Value	Unrealized Gain/(Loss)
Contracts to Buy:		
Australian Dollar	\$ 30,965,502	\$ 19,550
Czech Koruna	-	(6,746)
Euro Currency	31,149,316	162,648
Hungarian Forint		15,240
Mexican Peso	3,765,681	(22,804)
New Taiwan Dollar	1,695,331	21,586
Polish Zloty	-	45,928
South Korean Won	3,377,801	18,024
	<u>70,953,631</u>	<u>253,426</u>
Contracts to Sell:		
Australian Dollar	29,749,720	(1,235,332)
Euro Currency	57,383,507	(166,764)
Mexican Peso	3,637,691	(28,445)
New Zealand Dollar	3,668,604	(235,109)
South Korean Won	151,753	(137)
	<u>94,591,275</u>	<u>(1,665,787)</u>
Total	\$165,544,906	\$(1,412,361)

Financial Statement Amounts:

	Receivable	Payable	Net
FX Value	\$165,544,906	\$ 165,544,906	\$ -
Unrealized Gain/(Loss)	253,426	(1,665,787)	(1,412,361)
Net	<u>\$165,798,332</u>	<u>\$ 167,210,693</u>	<u>\$(1,412,361)</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.

NOTE 6: COMMITMENTS

In accordance with the terms of the individual investment agreements, the Private Investment Fund and the Real Estate Fund have outstanding commitments to make additional investments. These commitments will be fulfilled as suitable investment opportunities become available. Unfunded commitments at June 30, 2007, were as follows:

Fund	Total Commitment	Cumulative Amounts Funded	Unfunded Commitment
Real Estate	\$ 1,101,684,364	\$ 733,080,080	\$ 368,604,284
Private Investment	4,849,885,729	3,519,566,543	1,330,319,186

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 7: SUBSEQUENT EVENTS

Subsequent to June 30, 2007, the Investment Advisory Council adopted changes to the Investment Policy Statement. Those changes included the following:

- The addition of the Liquidity Fund which will replace the Cash Reserve Fund
- The addition of the Alternative Investment Fund
- The division of the International Stock Fund into: Developed Markets International Stock Fund and the Emerging Markets International Stock Fund
- The division of the Mutual Fixed Income Fund into: Core Fixed Income Fund, Inflation Linked Bond Fund, Emerging Market Debt Fund and High Yield Investment Fund.

Public Act 07-186, An Act Concerning Adequate Fund of Teachers Retirement System was signed into law on July 10, 2007. With the passage of this and pending the State Bond Commission's approval, the Teacher's Retirement Fund could receive a contribution up to a maximum of \$2 billion from the issuance of the Pension Obligation Bonds.

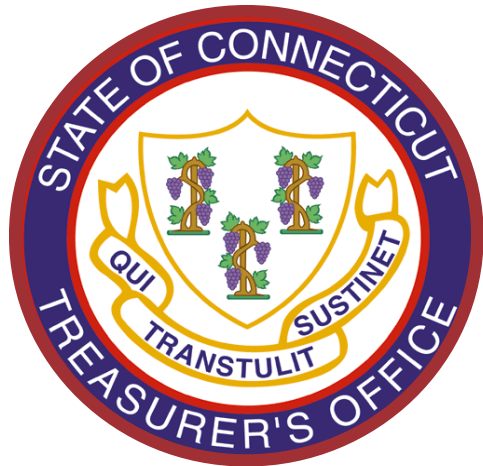
NOTE 8: COST BASIS OF INVESTMENTS

The aggregate cost values of investments in the Funds are as follows at June 30, 2007:

	CASH RESERVE FUND	MUTUAL EQUITY FUND	MUTUAL FIXED INCOME FUND	INTERNATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND
Investments in Securities, at Cost							
Cash Reserve Fund	\$ -	\$65,382,302	\$1,669,622,150	\$74,600,248	\$153,170,413	\$141,162	\$147,429,572
Cash Equivalents	1,584,806,115	-	697,661	4,560,528	-	-	-
Asset Backed Securities	143,000,000	-	166,066,874	-	-	-	-
Government Securities	-	-	1,716,006,502	-	-	-	-
Government Agency Securities	76,610,835	-	2,260,181,713	-	-	-	-
Mortgage Backed Securities	112,947,987	-	1,029,293,886	-	-	359,531	-
Corporate Debt	429,278,605	-	1,498,033,929	880,685	-	-	-
Convertible Securities	-	-	33,367,155	1,197,591	-	-	-
Common Stock	-	7,428,843,788	8,356,306	4,024,218,141	-	6,854,928	-
Preferred Stock	-	-	2,094,347	54,805,033	-	-	-
Real Estate Investment Trust	-	133,843,295	299,200	14,362,136	-	-	-
Mutual Fund	-	134,018	220,489,814	118,874,110	-	-	-
Limited Liability Corporation	-	-	-	-	-	-	10,277,429
Trusts	-	-	-	-	8,731,427	-	-
Limited Partnerships	-	100,615	-	-	476,609,896	-	1,500,181,535
Partnerships	-	-	-	-	-	-	-
Annuities	-	-	-	-	-	-	-
Total Investments in Securities, at cost	\$2,346,643,542	\$ 7,628,304,018	\$8,604,509,537	\$4,293,498,472	\$638,511,736	\$7,355,621	\$1,657,888,536

Investment

Section



2007 pension fund management division

Division Overview

Introduction

As principal fiduciary of six State pension funds and eight trust funds, (known collectively as the “Connecticut Retirement Plans and Trust Funds” or “CRPTF”), the Treasurer is responsible for prudently managing \$25.9 billion of net assets of retirement plans for approximately 160,000 teachers, State and municipal employees, as well as trust funds that support academic programs, grants, and initiatives throughout the State. The Pension Funds Management Division (“PFM” or “the Division”) is responsible for the day-to-day administration of the CRPTF.

Prudent investment management requires properly safeguarding pension assets in order to ensure the retirement security of the beneficiaries. Funding of the pension benefit liability is dependent on investment returns, State contributions and the contribution requirements of eligible retirement plan participants. When pension investment returns exceed the target return, excess returns are applied against the unfunded liability, while investment income returns below the actuarial target return increase the unfunded pension liability and may require an increase in future tax dollar contributions in order to ensure full payment of benefits.

As shown in Figure 1-1, over the last ten years pension and trust assets have grown from \$16.0 billion to \$25.9 billion, or 61.9%. The Teachers’ Retirement Fund (“TERF”), with \$13.8 billion of assets under management at June 30, 2007, is the largest participating fund, followed by the State Employees’ Retirement Fund (“SERF”) and the Municipal Employees’ Retirement Fund (“MERF”) with \$10.0 billion and \$1.7 billion of assets, respectively. During the fiscal year ended June 30, 2007, total investment return (comprised of interest income, dividends, securities lending income, and net realized and unrealized capital gains, net of Fund operating expenses) was approximately \$3.9 billion. (See figure 1-2.)

CRPTF’s total investments in securities at fair value as of June 30, 2007 is illustrated below:

COMBINED INVESTMENT FUNDS		
Investment Summary at June 30, 2007		
	Fair Value ⁽¹⁾	% of Total Fund Fair Value
Cash Reserve Account (“CRA”) ⁽²⁾	\$236,297,695	0.88%
Mutual Equity Fund (“MEF”)	9,810,773,724	36.64%
International Stock Fund (“ISF”)	5,940,213,814	22.19%
Real Estate Fund (“REF”)	684,741,163	2.56%
Mutual Fixed Income Fund (“MFIF”)	8,537,943,917	31.89%
Commercial Mortgage Fund (“CMF”)	7,763,461	0.03%
Private Investment Fund (“PIF”)	1,556,795,484	5.81%
Total Fund	\$26,774,529,258	100.00%

(1) “Fair Value” includes securities and cash invested in CRA, 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 CRA.

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

Fund Management

Under the supervision of a Chief Investment Officer, the Division executes and manages the investment programs of the pension and trust funds with a thirteen-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 Division staff. State Street Bank and Trust, as the custodian of record for the CRPTF, retains physical custody, safeguards plan assets and provides record keeping services under the supervision of PFM staff.

The Treasurer employs external advisors to invest each Fund. Advisors are selected based on asset class expertise, investment performance and style and are expected to comply with the parameters, guidelines, and restrictions set forth in the Investment Policy Statement. As of June 30, 2007, 106 external advisors were employed by the Treasury to invest the pension and trust assets, an increase of 14 advisors from June 30, 2006. (See figure 1-5.)

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

Investment Policy

One of the immutable principles of investment management is that asset allocation decisions are responsible for as much as 90% of the resulting returns. In April 2002, the Investment Advisory Council approved the Investment Policy Statement ("IPS") including the asset allocation plan, which governs CRPTF investments today. The asset allocation plan's main objective is to maximize investment returns over the long term at an acceptable level of risk, primarily through asset diversification. Risk, in this context, is defined as volatility of investment returns. (See the Understanding Investment Performance discussion in the Supplemental Section.)

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

As shown in Figure 1-3, the number and complexity of asset classes comprising the asset allocation policy have fluctuated during the last ten years. As of June 30, 2007, multiple asset classes were included in the Investment Policy Statement, including Domestic Equity, International Equity, Fixed Income, Real Estate, and Private Investments.

At fiscal year-end, domestic and international equities comprised the largest asset allocation, at 61%. Equities have an established record of maximizing investment returns over the long term. Fixed income and alternative investments were also included to allow the Fund both to leverage portfolio returns during highly inflationary or deflationary environments and to mitigate the effects of volatility in the stock market.

To realize the allocations set forth in the asset allocation plan, the Division operates seven Combined Investment Funds ("CIF" or the "Funds") as a series of mutual funds in which the pension and trust funds may invest through the purchase of ownership interests. Each of the Funds is designed to replicate one or more of the six asset classes outlined in the Policy.

Domestic Equity Investments

Management of the Mutual Equity Fund ("MEF") entails pure indexing, enhanced indexing, and active management strategies executed by external managers. Enhanced indexing involves identifying, through market analysis and research, those securities in the index which are most likely to under-perform, and discarding them from the portfolio. This is achieved while maintaining industry weightings consistent with the overall index. The goal of enhanced indexing is to generate a return slightly in excess of the selected index. Indexing is a particularly appropriate strategy for the "large-cap" segment of the equity markets, which is defined as the securities of the largest capitalized public companies, typically comprising the major market indices.

Within the "small- and mid-cap" sections of the equity markets, active management continues to allow pension funds the opportunity to achieve enhanced returns. Small- and mid-cap securities are issued by companies that are much smaller and not as closely monitored, researched or analyzed as the larger capitalization companies. Consequently, the small-cap segment of the U.S. equity market is less efficient. Certain active investment advisors are

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

therefore more likely to outperform the markets over the long term, while earning an acceptable level of return per unit of risk. For performance measurement purposes, the MEF is benchmarked against the Russell 3000 Index.

As currently structured, the MEF replicates the approximate capitalization of the U. S. equity market as a whole with 80% of the portfolio invested in large-cap stocks and 20% in small/mid-cap stocks. Approximately 89% of the entire domestic equity portfolio adheres to indexing, enhanced indexing, or risk controlled strategies.

International Equity Investments

The International Stock Fund ("ISF") consists of a series of externally managed equity portfolios which, in aggregate, are structured to achieve long-term performance consistent with non-U.S. equity markets and add diversification of the total portfolio. Approximately 46% of the ISF is comprised of passive indexing, risk controlled, and core developed markets strategies, all of which entail benchmark sensitive investment management approaches. Mandates for active and small cap developed market strategies represent roughly 26% and 6% of the ISF, respectively, and introduce greater flexibility with regard to benchmark weightings. The currency exposure of the aggregated 78% of the ISF investments in developed markets is managed through a currency hedging overlay strategy. Additionally, 22% of ISF is invested in emerging markets.

The ISF's hybrid benchmark is 83% of the Citigroup Europe Pacific Asia Composite Broad Market Index (50%-hedged) and 17% of the Morgan Stanley Emerging Markets Free Index.

Fixed Income Investments

The Mutual Fixed Income Fund ("MFIF") serves to reduce volatility of the CRPTF returns under various economic scenarios. Further, the fixed income portfolio provides cashflow to the CRPTF over all economic cycles, through interest payments and bond maturities. As of June 30, 2007 the MFIF's allocation includes passively indexed core fixed income (20%), active core fixed income (64%), inflation-linked bonds (4%), high yield bonds (8%), and emerging markets debt (4%).

The MFIF benchmark is a hybrid comprised of 73% Lehman Brothers Aggregate (LB Aggregate), 17% Citigroup High Yield Market Index, and 10% JP Morgan Emerging Markets Bond + Index (JPM EMBI+).

Real Estate and Private Equity Investments

The externally managed Real Estate Fund ("REF") invests in real estate properties and mortgages and is designed to dampen volatility of overall returns through diversification and to provide long-term rates of return similar to the Mutual Equity Fund. The REF will invest in the following types: core investments; value added (investments involving efforts to increase property value through repositioning, development and redevelopment); opportunistic (investments that represent niche opportunities, market inefficiencies, or special purpose markets); and publicly traded (primarily Real Estate Investment Trusts and Real Estate Operating Companies). Leverage within the REF is limited to 60%. For market evaluation, the benchmark is National Council of Real Estate Investment Fiduciaries Index (NCREIF) 1 quarter lag.

The Private Investment Fund ("PIF") is comprised of investments in externally managed limited partnerships and separate accounts that focus on private equity investments. PIF investments includes commitments to funds pursuing the following private equity strategies: (1) venture capital - focusing on seed, early and late stage companies - and (2) corporate finance strategies, including leveraged buyout, mezzanine, distressed and special situations strategies. The PIF also includes commitments to special purpose fund-of-funds vehicles. The PIF performance is measured against the S&P 500 + 500 basis points.

Securities Lending

The Treasury maintains a securities lending program for the Combined Investment Funds designed to enhance investment returns. This program involves the lending of securities to broker/dealers secured by collateral valued slightly in excess of the market value of the loaned securities. Typically, the loaned securities are used by broker/dealers as collateral for repurchase agreements and other structured investment products, as well as to cover short sales, customer defaults, dividend recapture, and arbitrage trades. To mitigate the risks of securities lending transactions, the master custodian carefully monitors the credit ratings of each

counter-party and overall collateral level. Collateral held is marked-to-market on a daily basis to ensure adequate coverage.

State Street Bank and Trust Company, the current master custodian for the Funds, is responsible for marketing the program, lending the securities, and obtaining adequate collateral. For the fiscal year ended June 30, 2007, securities with a market value of approximately \$3.7 billion had been loaned against collateral of approximately \$3.8 billion. Income generated by securities lending totaled \$11.0 million for the fiscal year.

The Year in Review

Total Fund Performance

For the fiscal year ended June 30, 2007, the State of Connecticut Retirement Plans and Trust Funds achieved a total return of 17.34%, net of all expenses, which was 66 basis points behind the benchmark return of 18.0%. During the fiscal year, the value of CRPTF's portfolio increased from \$22.8 billion to \$25.9 billion. The \$3.1 billion increase was primarily due to net funds from operations of \$3.9 billion, offset by net cash outflows of \$0.8 billion. This latter amount was comprised of pension payments to beneficiaries of \$4.413 billion that were offset by net contributions from unit holders of \$3.644 billion, for a net outflow of \$769 million. Net funds from operations were comprised of net investment income of \$919 million, realized gains of \$1.524 billion and unrealized appreciation of approximately \$1.472 billion.

Over the fiscal year, the U.S. economy grew approximately 3.4% as it benefited from rising exports, commercial construction, and government spending. After an anemic first quarter, which witnessed a slowing of the U.S. economy, inflation fears, and a weak housing market, the second quarter commenced on positive note as strong corporate earnings surprised many and the overall market benefited from the outset as seen in the Russell 3000's 5.9% return. Negative themes were placed on the backburner and the S&P 500 proceeded to set a record high in May and the DJIA rose a stellar 8.5%, which was its strongest quarterly return in three years. Moderate inflation, intensified M&A activity, and strong manufacturing provided a catalyst for impressive equity returns and became the central theme for the second quarter. International markets continued to experience strong economic growth, low unemployment, expanding corporate earnings and strong M&A activity. Volatility diminished from the first quarter to the second quarter as the market buoyed itself from the shock of February's infamous drop in the Shanghai market.

For the fiscal year ended June 30, 2007, the Mutual Equity Fund (MEF) generated a positive return of 18.24%, net of fees and operating expenses, which underperformed the Russell 3000 Index return of 20.07% by 183 basis points. U.S. equity markets produced solid gains with the Russell 3000 Index returning 20.1%. Fiscal year performance was strongest among large cap stocks as the Russell 1000 Index returned 20.4% and weakest among small cap stocks as the Russell 2000 Index returned 16.4%. Growth outpaced value within the small cap space as the Russell 2000 Growth and 2000 Value returned 16.8% and 16.1%, respectively. Among the larger names, value outperformed growth for the fourth consecutive fiscal year as the Russell 1000 Value gained 21.9% and the Russell 1000 Growth returned 19.0%.

For the fiscal year ended June 30, 2007, the International Stock Fund (ISF) generated a return of 29.65%, net of fees and operating expenses, which underperformed its hybrid benchmark index return of 30.10% by 45 basis points. The underperformance was largely attributable to the individual manager performances, particularly within the international small cap, emerging markets, and international active equity. The International Stock Fund benchmark is comprised of 83% Citigroup EPAC BMI Index (50% Hedged), and 17% MSCI Emerging Markets Free Index. For the fiscal year, the S&P EPAC BMI returned 28.1% in USD terms. As the Dollar weakened throughout the fiscal year, returns were not as strong (+24.2%) when denominated in local currencies. Over the fiscal year, the emerging market class benefited from an influx of money to the asset class, a strong Chinese IPO market, and a low interest rate. Despite a tightening of global monetary conditions, which has traditionally impeded emerging stock performance, the emerging asset class has demonstrated a strong resiliency and has returned 45.5% during the year as shown by the MSCI Emerging Market Index.

For the fiscal year ended June 30, 2007 the Mutual Fixed Income Fund (MFIF) generated a total return of 6.92% net of fees, underperforming the hybrid benchmark return of 7.63% by 71 basis points. Fiscal year

underperformance was primarily attributable to the MFIF's under allocation to high yield and emerging market debt as well as poor manager performance within the high yield space. The Mutual Fixed Income benchmark consists of 73% Lehman Brothers Aggregate Index (LBA), 17% Citigroup High Yield Market Index, and 10% JPM Emerging Markets Bond + Index. For the fiscal year, fixed income markets rose 6.1% as measured by the Lehman Aggregate. Similar to equity markets, investors showed an appetite for volatility in the form of high yield and emerging market debt as both performed strongly over the fiscal year. Despite the Fed maintaining a constant interest rate in the U.S., rates tended to rise globally. Europe witnessed a rise in rates due to concerns pertaining to inflation, while Japan raised rates in response to international pressure to appreciate the yen. Lower credit quality continued to outperform its higher credit quality counterparts as high yield and emerging market debt provided the strongest returns on an absolute basis over the fiscal year.

During the first half of 2007, private equity firms raised \$137.2 billion in 199 funds according to *The Private Equity Analyst*. This represents a 42% increase in the dollars raised and a 35% increase in the number of funds when compared to the \$96.4 billion raised over 147 funds in the first half of 2006. The breakdown of the 199 funds raised were as follows: 91 LBO/corporate finance; 62 venture capital; 32 fund of funds; 6 mezzanine; and 8 were classified as "other" private equity funds. During 2006, private equity firms raised \$215.4 billion in 322 funds according to *The Private Equity Analyst*. Of the 322, 129 were LBO/corporate finance, 119 were venture capital, 42 were fund-of-funds, 25 were mezzanine, and 7 were other private equity. The Private Investment Fund earned 19.56%, underperforming its benchmark by 361 basis points.

The Real Estate Fund underperformed its benchmark return of 16.59% by 238 basis points with a return of 14.21%. The Real Estate Fund is well diversified by long-term risk/return objectives while adhering to established investment guidelines.

The overall return of the CRPTF is measured against the total fund benchmark, a hybrid benchmark customized to reflect the CRPTF's asset allocation and performance objectives. This benchmark is comprised of 36% Russell 3000 Index; 18% International Stock Fund benchmark; 29% Mutual Fixed Income Fund benchmark; 5% CT Real Estate Fund; 11% CT Private Equity/Venture Economics All Private Equity Index; and 1% Donoghue Money Fund Average. The International Stock Fund benchmark is comprised of 83% Citigroup Europe, Pacific, Asia Composite Broad Market Index (50% Hedged) and 17% MSCI Emerging Market Free Index. The Mutual Fixed Income Fund benchmark consists of 73% Lehman Brothers Aggregate Index, 17% S&P/Citigroup High Yield Market Index, and 10% JPM Emerging Markets Bond + Index.

Investment return calculations are prepared using a time weighted rate of return based on industry standards.

2007 Management Initiatives

During 2007 an asset and liability study was completed and new asset allocation targets were approved for the plans and trusts of the CRPTF. The new asset allocation ranges will decrease the CRPTF's exposure to domestic equity and fixed income markets, while simultaneously increasing exposure to international equity markets. The asset allocation plan incorporates two new assets classes, the Liquidity Fund and the Alternative Investment Fund. The Liquidity fund will allow the CRPTF to become more strategic in its investment of cash. One of the main objectives for establishing an alternative investment fund is to give the CRPTF the flexibility to consider evolving and market-driven strategies. Alternative strategies have continued to become an increasingly important part of a successful and well diversified investment program. Overall the implementation of the asset allocation target ranges and new asset classes will allow the CRPTF to increase return, maintain a prudent risk exposure, and continue to work toward reducing the gap of the unfunded position of certain plans.

In FY 2007, for the second straight year, CRPTF reached its highest levels ever of diversity among the firms with which the Pension Funds Management division (PFM) does business. Overall, minority-owned, women-owned, Connecticut-based and emerging firms, 29 in all, comprised 33% of the firms with which the division did business; these firms earned 39% (over \$26.5 million) of all fees paid by the division, up from 25% (\$19 million) in FY 2006. Since 1999, the number of minority-owned, women-owned, Connecticut-based and emerging firms has doubled, the fees paid to such firms have increased nearly 2.5 times, and the assets under management have tripled.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

The Connecticut Horizon Fund ("CHF"), funded in August 2005, is a \$460 million fund of funds created to give access to the Treasury's business to a wider number of firms, and to open up such business to more women-owned, minority-owned, Connecticut-based and emerging firms. In FY 2007, there were 30 CHF sub-managers; 27 were emerging firms, 14 were minority-owned (up from 11 in FY 2006), 8 are women-owned (up from 6 in 2006) and 5 are Connecticut-based firms

Several major initiatives have begun during fiscal year 2007 and will continue throughout the next fiscal year, they include modification of the Investment Policy Statement, a search for a new traditional consultant, alternative consultant, and real estate consultant. In addition, a consultant was hired to perform an organizational review of the Pension Fund Management Division. The Chief Investment Officer ("CIO") left the organization on May 31, 2007. An Acting Chief Investment Officer was named while a search commences for hiring a permanent CIO.

Proxy Voting

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

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

The CRPTF engaged with over 30 companies this year through activities ranging from writing letters and filing shareholder resolutions to attending annual shareholder meetings and holding face-to-face dialogues with corporate management and board members. In support of its efforts, the Treasurer's Office worked with a wide cross-section of investors representing public pension funds, labor funds, and social and faith-based investors. The CRPTF filed and co-filed a total of fifteen shareholder resolutions this proxy season on critical corporate governance issues.

Executive compensation is among the key issues the CRPTF was active on. In October 2006, the Treasurer led a coalition of institutional investors representing \$849.5 billion in assets to call on 25 of the nation's largest corporations in the S&P 500 to take steps to end the practice of board-hired compensation consultants also doing work for company management. Twenty-two of the 25 companies responded to the Treasurer's inquiry, and over half of the respondents (ten), agreed to develop "best practices" as a means of ensuring compensation consultant independence.

The CRPTF also engaged with companies on access to the proxy, or investors' right to nominate outside directors to sit on the boards of companies where there is marked concern over performance. The Treasurer co-filed one resolution on access to the proxy in 2007; the resolution received 43 percent shareholder support.

In the area of climate change, the Office continued to take a leading role in the Investor Network on Climate Risk (INCR) by focusing on an implementation strategy for an action plan adopted at the Second Investor Summit on Climate Risk, co-chaired by the Treasurer at the United Nations in May 2005. In response to the action plan, INCR members have invested over \$1.2 billion in clean technology to date. In addition, the CRPTF joined a global partnership of fourteen leading institutional investors representing trillions of dollars in asset in October 2006 to releasing Global Framework for Climate Risk Disclosure. The Framework includes guidance to help companies provide meaningful information to investors on the financial risks posed by climate change. The Treasurer's office also joined a coalition of investors in March 2007 to call for federal measures to stimulate

investment in clean technology by realigning current energy and transportation policy, and guidance by the Securities and Exchange Commission (SEC) on climate risk disclosure.

In August 2006, the Treasurer announced that five leading U.S. based corporations have agreed to implement the MacBride Principles, which prohibit religious discrimination in Northern Ireland. The list of adopting companies includes: Office Depot; Starbucks Coffee; PepsiCo; Clear Channel Communications; and Terex Corporation.

In addition to the MacBride Principles, the Treasurer's Office proposed, and the General Assembly adopted a law, requiring the CRPTF to review Pension Fund investments in companies doing business in the Republic of Sudan. The 2006 law grants the Treasurer authority to engage and potentially divest holdings from companies shown to contribute to the Sudanese government-backed genocide. In accordance with the law, the Treasurer directed the state's investment managers to divest the CRPTF of approximately \$11 million in shares from China Petroleum and Chemical Corporation in June 2007. The Treasurer also prohibited any direct investment in five companies-Bharat Heavy Electricals Ltd; Nam Fall Corporation; Oil and Natural Gas Corporation; PECD Group; and Sudan Telecom (Sudatel). The decision to divest or restrict investment came after repeated attempts to engage the aforementioned companies regarding their business in Sudan.

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

Asset Recovery and Loss Prevention

While market risk will always be a component of any investment program, Treasurer Nappier's Legal and Compliance Units work to manage such 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 very best vendors and products to meet the needs of the Office. Careful contract negotiation, coupled with implementation of best practice contract language, lends clarity to the obligations of the Office of the Treasurer and of the vendors of the Office. The Office maintains contact with other similar governmental offices and shares ideas for enhancement of contract language, frequently offering advice to counterparts in other states.

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

The Office of the Treasurer takes a measured approach to litigation, but is prepared, when necessary, to pursue judicial solutions where negotiations are unsuccessful. The Office of the Treasurer continues to consider making application to serve as lead plaintiff in class action litigation and encourages other institutional investor lead plaintiffs to aggressively negotiate reasonable legal fees. From time to time, the Office of the Treasurer has used litigation to encourage corporate governance enhancements. Although rare, the Office of the Treasurer has filed individual and group actions to pursue specific rights where disputing parties are unwilling or unable to reach an extra-judicial conclusion.

Class Action Securities Litigation

The CRPTF recovered \$5,904,770.16 million from class action settlements in this fiscal year and closely monitors opportunities to recover lost assets through participation in class action litigation.

The Office of the Treasurer, as the Trustee for the CRPTF, serves as Lead Plaintiff in three national class action lawsuits, which allege corporate misconduct and malfeasance of certain corporate insiders by JDS Uniphase, Redback Networks and Amgen. The JDS Uniphase case has been vigorously prosecuted. The matter is scheduled for trial in October 2007.¹

Corporate Governance Related Litigation

The Office of the Treasurer serves as co-Lead Plaintiff in derivative and class action matters adverse the UnitedHealth Group. The Plaintiffs in these matters allege that the corporation and certain officers unlawfully back-dated stock options, causing damage to the company and its shareholders.

Other Litigation

The matter involving Keystone Venture V L.P. (the "Partnership") is in its final stages. The limited partners have appointed a liquidating trustee. The trustee has taken all steps necessary to file a certificate of cancellation, which is required under Pennsylvania law. The Securities and Exchange Commission has initiated an action against the Managing Partners and Michael Liberty. Two of the Managing Partners have each deposited \$50,000 with the court, pending the outcome of the SEC's action. The limited partners have been informed by counsel that the SEC's action should be concluded by the fall of 2008. The limited partners have requested that any disgorged assets obtained by these federal agencies be turned over to the investors. Final distribution of assets is scheduled for December 2008.

¹ The trial of the case against JDS Uniphase commenced on the 23rd of October 2007 in federal district court in Oakland California. On the 27th of November, 2007, following 19 days of testimony and fewer than 2 days of deliberation, a 9-person jury entered a verdict in favor of the Defendants on all counts.

Corporate Governance

NewsCorp: During the fall of 2004, News Corporation, an Australian company began a process to re-incorporate from Australia to the United States. In order to complete this desired transfer, the Australian company required approval from its shareholders. A large group of institutional shareholders, mostly foreign, raised concerns about the company's poison pill. In order to induce the approval of these shareholders and others concerned about the poison pill, including the CRPTF, the board of directors promised shareholders that the board would neither extend the existing poison pill language nor adopt a new poison pill without seeking shareholder approval. After the board gave this promise, the shareholders approved the re-incorporation.

In August 2005, the NewsCorp board of directors extended the poison pill without obtaining shareholder approval. The CRPTF was the sole US-based plaintiff to sign on to the litigation against NewsCorp. In December 2005, NewsCorp settled the litigation. The most important element of the settlement included a binding obligation by NewsCorp to seek shareholder approval of all poison pill language into the future.

UnitedHealth Group: Beginning at least 1995, the UnitedHealth Group ("UHG") CEO, Dr. William C. McGuire, MD ("Dr. McGuire"), and other very senior UHG executives manipulated UHG's shareholder approved stock option plans such that they are dictating their own compensation without the required oversight or review from the UHG Board of Directors and its Compensation Committee. The terms of the shareholder approved stock option plan provides that the plan be "administered" by a committee of independent, non-employee directors – the Compensation Committee. The Board of Directors and the Compensation Committee have breached their fiduciary duty to the company and its shareholders by abdicating their oversight and administrative roles and permitting Dr. McGuire and others to retroactively set their own strike prices for stock options. A study of twelve stock option grants for Dr. McGuire through mid 2002, established that annual option grants repeatedly were dated on the very day that UHG stock hit its low price for the year or in advance of sharp stock price increases. Experts have stated that it is statistically impossible to have hit the most advantage strike date, for Dr. McGuire, in each and every year. This manipulation is enormous. Dr. McGuire alone has amassed more than \$1.6 billion in stock options since 1995. He has exercised approximately \$400 million of such options.

On the 11th of May, the Securities and Exchange Commission ("SEC") announced that there was a "significant deficiency" in how UHG has administered its stock options plans, which could force UHG to restate its financial results by cutting net income by as much as \$286 million over the last three years. Additionally, UHG may lose tax deductions taken on the improper option grants. Finally, the 2005 net earnings may be reduced by 4.5% or \$0.11 per share.

At the time that the Board and the Compensation Committees abdicated their roles, in breach of their fiduciary duties, the manipulation of the stock option plan was never disclosed to the shareholders. The CRPTF, with other institutional investors, filed derivative and class action law suits against UHG. The CRPTF was named co-lead plaintiff in this matter.

Sudan Restricted Company List (Pursuant to Conn. Gen. Stat. §3-21e)

During 2006, the Treasurer's Office proposed, and the General Assembly adopted a law requiring the Connecticut Retirement Plans and Trust Funds to review Pension Fund investments in companies doing business in the Republic of Sudan. Under the new law, the Treasurer has the authority to engage those companies and potentially divest holdings in those companies if their business is contributing to the government's perpetuation of genocide in Sudan.

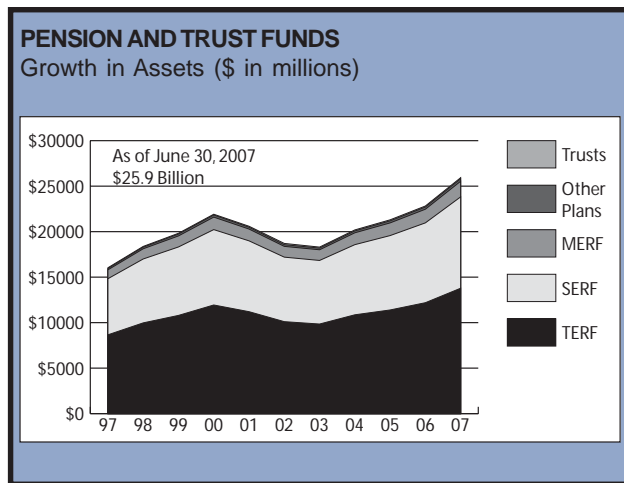
In May 2007, the Treasurer announced that she was divesting CRPTF's holdings in China Petroleum and Chemical Corp., and prohibiting investment in 5 other companies operating in Sudan, Bharat Heavy Electricals Ltd., Nam Fatt Corp., Oil and Natural Gas Corp., PECD Group and Sudan Telecom. The Treasurer's action followed unsuccessful attempts to engage the companies over their operations in Sudan. At the time of the Treasurer's announcement, CRPTF's investment in China Petroleum and Chemical Corp. was valued at approximately \$11 million.

Pursuant to Conn. Gen. Stat. §3-21e, the Office of the Treasurer prohibits direct investment in the following companies:

- China Petroleum and Chemical Corp.¹
- Bharat Heavy Electricals Ltd. (BHEL)
- Nam Fatt Corp.
- Oil and Natural Gas Corp. (ONGC)
- PECD Group
- PetroChina Co. Ltd.
- Sudan Telecom (Sudatel).

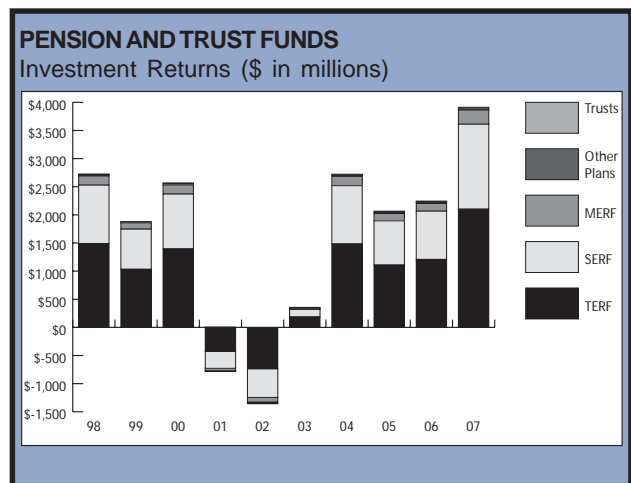
¹ Shares in China Petroleum and Chemical were divested by CRPTF. CRPTF had no holdings in the other companies.

Figure 1-1



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

Figure 1-2



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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 1-3

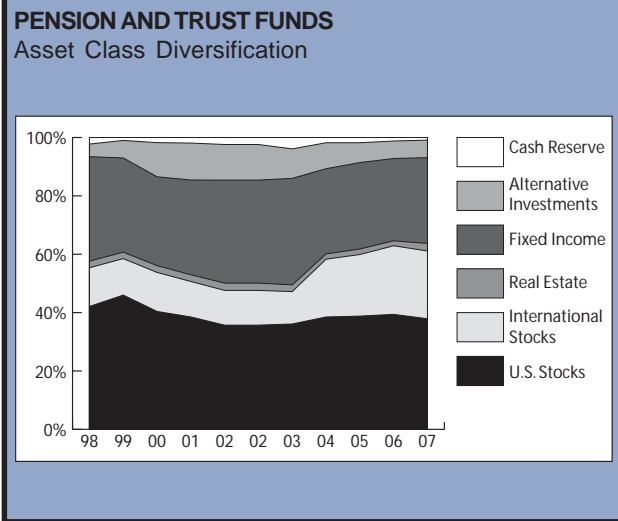


Figure 1-4

PENSION AND TRUST FUNDS ASSET ALLOCATION Actual vs. Policy at June 30, 2007

	Actual	Target	Lower Policy Range	Upper Policy Range
U.S. EQUITY	37.9%	36.0%	29.0%	43.0%
Mutual Equity Fund (MEF)	37.9%			
INTERNATIONAL EQUITY	23.2%	18.0%	14.0%	22.0%
International Stock Fund (ISF)	23.2%			
REAL ESTATE	2.6%	5.0%	4.0%	6.0%
Real Estate Fund (REF)	2.6%			
FIXED INCOME	30.3%	30.0%	26.0%	34.0%
Mutual Fixed Income Fund (MFIF)	29.4%			
Commercial Mortgage Fund (CMF)	0.0%			
Cash Reserve Account (CRA)	0.9%			
PRIVATE EQUITY	6.0%	11.0%	6.0%	11.0%
Private Investment Fund (PIF)	6.0%			
TOTAL	100.0%			

(1) MFIF's advisors are allowed to invest in non U.S. fixed income assets on an opportunistic basis.

Figure 1-5

PENSION AND TRUST FUNDS Advisor Breakdown

Fund	June 30, 2007	June 30, 2006
MEF	7	8
ISF ⁽¹⁾	14	11
PIF	53	46
MFIF	12	13
CMF	1	1
REF	18	12
CRA	1	1
Total⁽²⁾	106	92

(1) Does not include the two Currency Overlay Managers.
 (2) Actual total advisors was 100 and 86, respectively when factoring in advisors across multiple funds.

Figure 1-6

PENSION AND TRUST FUNDS Periods ending June 30, 2007

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
CRPTF	17.34	12.73	11.07	8.36
CRPTF CMMI (Without Objective) Benchmark	18.00	12.62	11.51	7.86
CRPTF CMMI (With Objective) Benchmark	19.41	14.05	12.95	9.12
Cumulative Total Return (%)				
CRPTF	17.34	43.27	69.04	123.29
CRPTF CMMI (Without Objective) Benchmark	18.00	42.82	72.38	113.02
CRPTF CMMI (With Objective) Benchmark	19.41	48.37	83.80	139.46

Figure 1-7

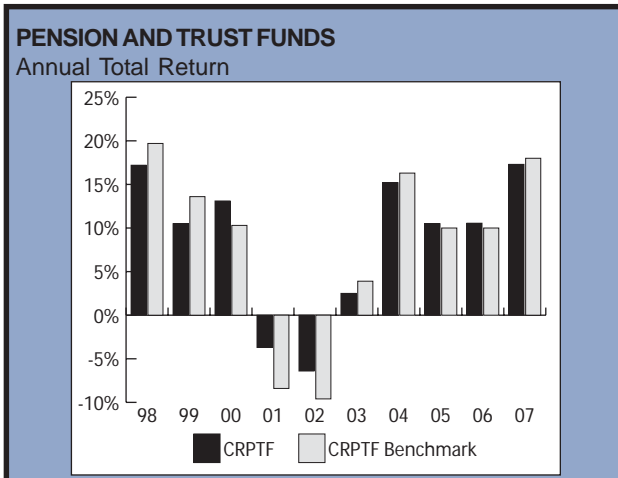
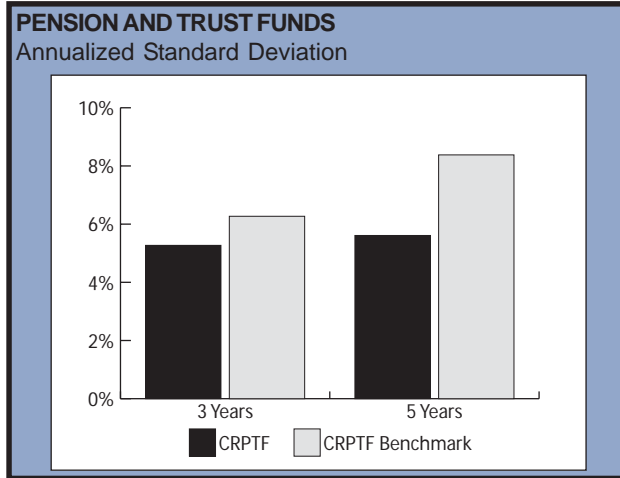


Figure 1-8



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

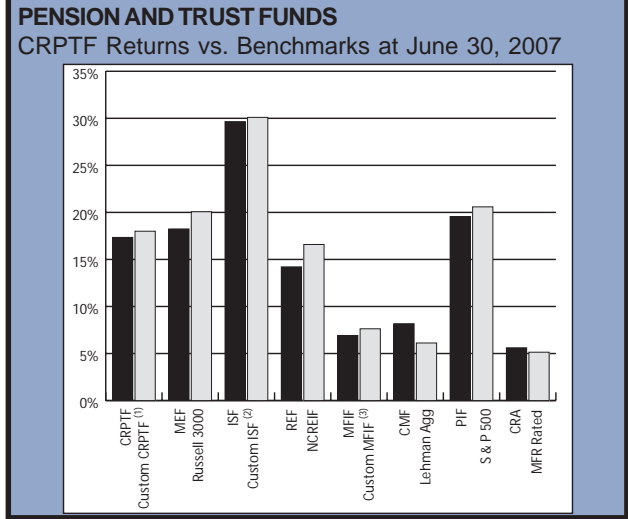
Figure 1-9

PENSION AND TRUST FUNDS					
TUCS Ranking for Periods ending June 30, 2007					
	1 YR	3 YRS	5 YRS	7 YRS	10 YRS
<i>Public Funds >\$1 Billion</i>					
<i>Percentile Return</i>					
5th	20.61	15.93	13.71	7.92	9.75
25th	18.90	13.31	12.30	6.95	8.80
50th	17.69	12.84	11.47	6.49	8.19
75th	16.23	11.96	11.16	5.58	7.97
95th	10.62	7.17	8.28	4.92	6.95
<i>CT Pension and Trust Funds</i>					
Return ¹	17.69	13.09	11.37	6.49	8.66
Public Funds Ranking	50	35	57	50	27

Source: State Street Bank

(1) Gross Return

Figure 1-10



- (1) Total Fund Benchmark: Inception through 9/30/99: 40% Russell 3000, 15% MSCI EAFE Net, 28% LB Aggregate, 11% Russell 3000 Private Equity Fund, 4% NCREIF Property Index, 2% IBC Rated Index. 10/1/99 to date: 36% Russell 3000, 18% Int'l Stock Benchmark, 29% Mutual Fixed Income Benchmark, 5% Russell 3000 Real Estate Fund, 11% Russell 3000 Private Equity Fund, 1% MFR Rated Index.
- (2) International Stock Fund Benchmark: 83% SSB EPAC BMI 50% Hedged and 17% MSCI Emerging Market Free.
- (3) Mutual Fixed Income Benchmark: 73% Lehman Aggregate, 17% Salomon High Yield Market Index and 10% J.P. Morgan Emerging Markets Bond + Index.

Combined Investment Funds Total Return Analysis (%)

Asset Class (% of Total Fund at 6/30/07) <i>(Investment performance is calculated using a time-weighted rate of return.)</i>	Fiscal Years Ending June 30,					Annualized		
	2007	2006	2005	2004	2003	3 Years	5 Years	10 Years
Combined Investment Funds (100.00%)	17.34%	10.55%	10.46%	15.23%	2.49%	12.73%	11.07%	8.36%
Connecticut Multiple Market Index (Without Objective)	18.00	10.01	10.02	16.27	3.88	12.62	11.51	7.86
Connecticut Multiple Market Index (With Objective)	19.41	11.47	11.46	17.79	5.26	14.05	12.95	9.12
U.S. Stocks (37.9%)								
Mutual Equity Fund (37.9%)	18.24	10.27	8.06	20.84	0.48	12.11	11.34	8.31
Russell 3000 Index	20.07	9.56	8.06	20.46	0.77	12.44	11.53	7.62
International Stocks (23.2%)								
International Stock Fund (23.2%)	29.65	25.69	19.23	29.69	(6.39)	24.84	18.79	9.34
International Stock Fund Hybrid Benchmark	30.10	28.56	18.88	29.79	(6.62)	25.75	19.23	9.03
Equity Commercial Real Estate (2.6%)								
Real Estate Fund (2.6%)	14.21	7.09	27.74	0.67	3.30	15.90	10.07	10.70
Russell NCREIF(1 Qtr. Lag)	16.59	20.19	15.55	9.71	7.13	17.42	13.73	12.86
U.S. Fixed Income (29.4%)								
Mutual Fixed Income Fund (29.4%)	6.92	0.77	7.70	2.79	12.03	5.10	5.99	6.25
Fixed Income Fund Hybrid Benchmark	7.63	0.64	8.82	2.44	15.53	5.63	6.88	6.79
Commercial Mortgage Fund (0.0%)	8.17	9.69	6.95	7.87	20.62	8.14	10.45	9.55
Lehman Aggregate Bond Index	6.12	(0.81)	6.80	0.32	10.41	3.98	4.48	6.02
Alternative Assets (6.0%)								
Private Investment Fund (6.0%)	19.56	11.74	9.58	20.21	(11.94)	13.23	8.67	8.52
S & P 500	20.59	8.63	6.32	19.11	0.26	11.68	10.71	7.13
Venture Economics All Private Equity (1 Qtr. Lag)	23.17	26.00	17.37	21.49	(14.67)	22.05	14.52	15.80
Cash (0.9%)								
Cash Reserve Account (0.9%)	5.61	4.54	2.38	1.30	1.80	4.15	3.10	4.21
MFR First Tier Rated Inst. (Formally IBC Rated)	5.14	4.00	1.91	0.73	1.21	3.67	2.58	3.68

2007 cash reserve account

Fund Facts at June 30, 2007

Investment Strategy/Goals: To serve as a cash management tool for the pension and trust funds by investing in high quality, liquid money market securities.

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

Benchmark: MFR Index

Date of Inception: September 1, 1987

Total Net Assets: \$2,349,185,312

Number of Advisors: 1 external

Management Fees: \$324,772

Operating Expenses: \$155,336

Expense Ratio: 0.03%

Performance Summary

For the fiscal year ended June 30, 2007, the Cash Reserve Account (CRA) generated a return of 5.61%, outperforming the benchmark MFR First Tier Rated Institutional Index return of 5.14% by 47 basis points. The fund outperformed the 90 day Treasury Bill Index of 5.07% by 54 basis points for the period.

The fund's compounded annual total return for the trailing three year, five year and ten year periods (as of 6/30/07) were 4.15%, 3.10% and 4.21% respectively, net of all expenses. These returns exceed those of the fund's benchmark for the time periods listed by 48, 52 and 53 basis points respectively.

Description of the Fund

The Cash Reserve Account (CRA) is a cash management pool investing primarily in high quality money market securities, Asset Backed Securities (ABS) and corporate bonds. It serves as a cash management tool for the pension, trust and Combined Investment Funds while also being considered a separate asset class of the fund providing a competitive return with the primary focus being preservation of capital with a high degree of liquidity.

CRA is managed as an enhanced cash strategy whereby the fund maintains a relatively short weighted average maturity through the purchase of fixed rate money market instruments such as Commercial Paper, Certificates of Deposit, Bank Notes and other cash equivalents. The fund also will invest in high quality, floating rate corporate bonds and Asset Backed Securities. The focus on floating rate product is primarily in maturities or average lives in excess of 13 months. By focusing on maturities in this range, CRA is able to take advantage of wider credit spreads than would otherwise be available to a typical money market fund. CRA also maintains an adequate amount of overnight liquidity in order to meet any unexpected withdrawals from the fund. The fund also maintains adequate back up liquidity in the form of highly liquid money market instruments in order to meet any cash needs over and above our overnight liquidity.

Economic Review

The period began fresh off the 17th consecutive 25 basis point rate hike from the Fed which brought the Fed Funds' target rate to 5.25%. Many investors were unsure whether this would indeed be the last rate hike or the pause that they knew would eventually come. It ultimately did prove to be the last hike in the tightening cycle as the Fed's forecast of moderate growth and falling core inflation ultimately played out over the fiscal year. During fiscal 2007, real GDP printed as high as 3.4% annualized (2nd quarter 2007) and as low as .6% (1st quarter 2007). Growth was negatively impacted by the housing market as the fallout from the subprime lending issues carried over to lower sales figures for both new and existing homes and lower median prices. Rising exports and government spending were positive growth factors during the period. Generally speaking, economic activity away from the housing sector was robust during the period. The inflation picture was also quite favorable which allowed the Fed to keep rates steady during the fiscal year. Year over year core PCE as of June

2006 was 2.3%. This series printed as high as 2.5% during the period as market participants questioned whether the FOMC would need to respond with additional rate hikes. However, the last few months of the fiscal year saw core PCE drop consistently to finish the period at 1.9%. This falls within the so called "comfort zone" for core PCE as mentioned many times by FOMC members. Payroll growth slowed from its year earlier pace of approximately 200,000 new jobs per month. Fiscal 2007 saw average monthly job gains of 165,000. This figure, though slower than last year, is still consistent with moderate economic growth. The unemployment rate fluctuated in a tight band between 4.4% and 4.8%. Due to the low level of unemployment and core inflation data hovering above the 2.0% area, the FOMC had a consistent message that inflation remained the primary concern with respect to monetary policy.

Portfolio Characteristics & Strategy

The portfolio outperformed its benchmark by 38 basis points during the fiscal year. Our underlying position for most of the period was that the FOMC would hold rates steady at 5.25%. Due to this belief, portfolio duration was kept on the longer side during the fiscal year. The weighted average maturity of the portfolio during the second half of 2006 was in the 50-55 day range as the opportunity to buy attractive yields in longer term maturities was limited due to investors pricing in large probabilities of Fed easing during this time. Beginning early in 2007, portfolio duration was extended as longer term yields became attractive again as the probability of Fed easing was reduced. The portfolio's Weighted Average Maturity extended from the 50 day range to 65 days at the end of March and 86 days at the end of June 2007. In general, credit spreads remained at or near their historical tightness for most of the period as volatility was low and the demand for longer term floating rate securities was robust. In the February/March period, cracks began to appear in the subprime mortgage sector and spreads on short, high quality securities that the CRA invests in began to creep only slightly wider. Due to the focus on adding duration via fixed rate term purchases and narrow credit spreads, the portfolio deemphasized its floating rate exposure during the period. Floating rate holdings at the end of the fiscal year were approximately 15% of fund assets, down from an average of about 17% during fiscal 2006. Moving forward, we expect to increase our allocation to floating rate bonds if spreads become more attractive. As always, preservation of the fund's capital, a high degree of liquidity and a strong focus on credit fundamentals will remain at the core of our investment philosophy for the portfolio.

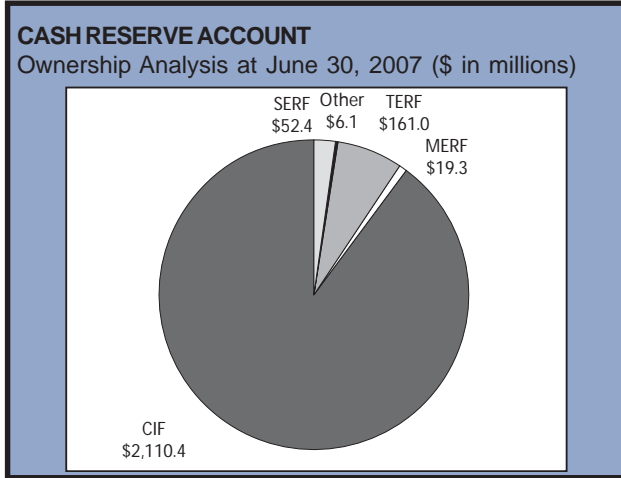
Risk Profile

Due to the short-term nature of CRA, it is generally considered to be low-risk. Consequently, returns that are realized by CRA may be significantly lower than those realized by funds with fixed income investments maturing over a longer time horizon. Similarly, the investments' short time horizon, along with the quality of the issuing entities, mitigates traditional concerns over interest rate, default and currency exchange risk.

Based on returns over the last five years, the Fund exhibited a similar degree of risk relative to the MFR Index, as evidenced by its relative volatility of 1.00. The standard deviation of the Fund of 0.07 suggests comparatively low overall volatility, while its beta of 0.84 indicates a high overall correlation to returns achieved by the Index. In the aggregate, CRA achieved a positive alpha, or return in excess of that predicted by returns of its benchmark of 0.52.

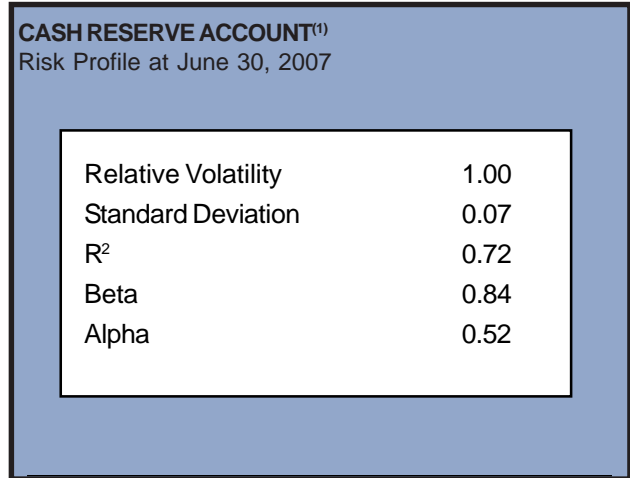
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 2-1



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

Figure 2-2



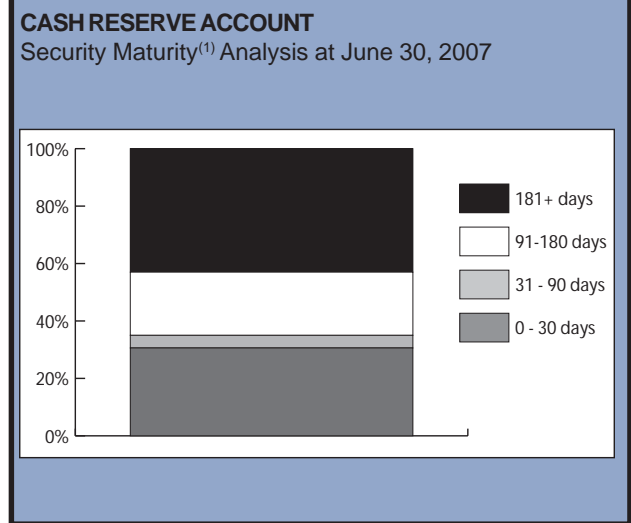
(1) Based upon returns over the last five years.

Figure 2-3

CASH RESERVE ACCOUNT
Quarterly Weighted Average Maturity

Quarter End	CRA	MFR Index
06/30/2007	86 days	42 days
03/31/2007	65 days	40 days
12/31/2006	55 days	41 days
09/30/2006	52 days	41 days
06/30/2006	54 days	39 days

Figure 2-4



(1) Or Interest Rate Reset Period.

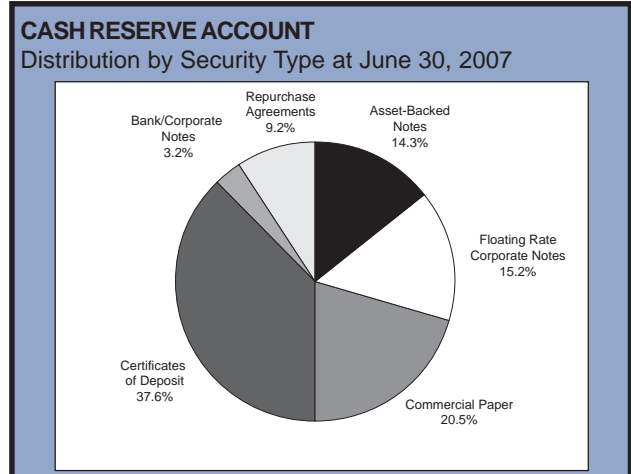
Figure 2-5

CASH RESERVE ACCOUNT
Distribution by Yield ⁽¹⁾ at June 30, 2007

Yield	Percentage
4.26% - 4.50%	1.5%
5.01% - 5.25%	2.2%
5.26% - 5.50%	95.4%
5.51% - 5.75%	0.9%
TOTAL	100.0%

(1) Represents yield to reset if floating and yield to maturity if fixed.

Figure 2-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 2-7

CASH RESERVE ACCOUNT Comprehensive Profile				
Date	Number of Issues	Yield ⁽¹⁾	Average Maturity	Average Quality
2007	97	5.61%	87 days	A-1+/AA+
2006	69	4.54%	54 days	A-1+/AA+
2005	100	2.38%	44 days	A-1+/AA+
2004	92	1.30%	48 days	A-1+/AA+
2003	109	1.80%	48 days	A-1+/AA+
2002	104	3.03%	51 days	A-1+/AA+
2001	90	6.35%	65 days	A-1+/AA+
2000	109	5.96%	81 days	A-1+/AA+
1999	102	5.46%	67 days	A-1+/AA+
1998	81	5.86%	60 days	A-1+/AA+

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

Figure 2-8

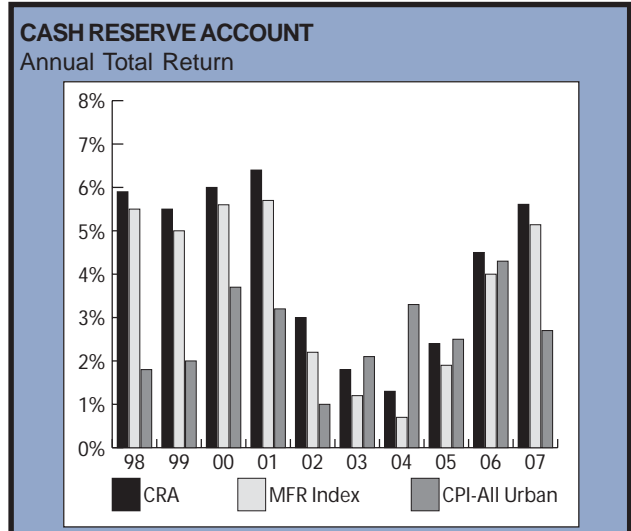
CASH RESERVE ACCOUNT Quarterly Yield ⁽¹⁾ Analysis		
Quarter End	CRA	MFR Index
06/30/2007	5.33%	5.01%
03/31/2007	5.34%	5.01%
12/31/2006	5.34%	5.01%
09/30/2006	5.34%	5.00%
06/30/2006	5.16%	4.78%

(1) An annualized historical yield based on the preceding month's level of income earned by the Fund.

Figure 2-9

CASH RESERVE ACCOUNT Periods ending June 30, 2007				
	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
CRA	5.61	4.15	3.10	4.21
MFR Index	5.14	3.67	2.58	3.68
CPI-Urban	2.70	3.18	2.98	2.66
CitiGroup 90-Day CD	5.48	4.02	2.94	4.06
CitiGroup 90-Day T-Bill	5.07	3.68	2.67	3.67
Cumulative Total Return (%)				
CRA	5.61	13.04	16.57	51.11
MFR Index	5.14	11.42	13.60	43.59
CPI-Urban	2.70	9.84	15.82	30.00
CitiGroup 90-Day CD	5.48	12.55	15.57	48.86
CitiGroup 90-Day T-Bill	5.07	11.44	14.09	43.41

Figure 2-10



2007 mutual equity fund

Fund Facts at June 30, 2007

Investment Strategy/Goals: To participate in the growth of the U. S. economy through the ownership of domestic equity securities.

Performance Objective: An annual total return that is one percentage point greater than that of the Russell 3000 after expenses.

Benchmark: Russell 3000 Index

Date of Inception: July 1, 1972

Total Net Assets: \$9,818,086,185

Number of Advisors: 7 external

Management Fees: \$9,473,490

Operating Expenses: \$1,586,157

Expense Ratio: 0.11%

Turnover: 44.5%

Performance Summary

For the fiscal year ended June 30, 2007, the Mutual Equity Fund (MEF) generated a positive return of 18.24%, net of fees and operating expenses, which underperformed the Russell 3000 Index return of 20.07% by 183 basis points. Weak stock selection was the main contributor to underperformance over the fiscal year. During this same period, MEF's net assets grew from \$8.982 billion to \$9.818 billion, an increase of \$836 million. Of this net total change, \$1.439 billion was due to realized and unrealized capital gains and \$172 million in net investment income less salary and fringe benefits, offsetting this amount is \$775 million in net cash outflows to participating pension plans and trusts.

While volatility in investment returns is expected in the short-term, the Fund's long-term performance remains the most important comparative measure. As Figure 3-4 illustrates, MEF has generated annualized total returns, net of fees, of 12.11%, 11.34%, and 8.31% over the last three, five, and ten-year periods, respectively. The Fund returns underperformed the Russell 3000 for the three and five-year periods by 33 and 19 basis points, respectively, and outperformed for the ten-year period by 69 basis points.

The MEF's cumulative total returns for the three, five, and ten year periods ending June 30, 2007, were 40.92%, 71.14%, and 122.21%, respectively.

Description of the Fund

The Mutual Equity Fund (MEF) is an externally managed fund investing in domestic equity securities. MEF serves as an investment vehicle for the Pension and Trust Funds with the goal of earning prudent returns while participating in the growth of the U.S. economy.

MEF's performance objective is an annual total return, net of management fees and Division's operating expenses, which exceeds that of the Russell 3000 Index by 100 basis points per annum. The Russell 3000 Index is a broad stock market index of the securities of the largest 3,000 publicly traded U.S. companies.

At the close of the fiscal year, MEF consisted of seven externally managed equity portfolios structured to approximate the composition of the Russell 3000 Index. One advisor actively managed approximately 7% of the portfolio in small to mid-capitalization stocks. One advisor invested approximately 11% of the portfolio in small to mid-capitalization stocks using a risk controlled strategy. Two advisors in large capitalization stocks (of which 44% was invested using enhanced indexing strategies and 34% was invested using a passive strategy) managed approximately 78% of the portfolio. Three Connecticut Horizon Fund advisors cumulatively managed approximately 4.1% of the portfolio (1.3% in small to mid-capitalization stocks and 2.8% in all capitalization stocks). At fiscal year end, approximately \$8.7 billion, or 89%, of the Fund's net assets were invested in indexed or enhanced index and risk controlled portfolios.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Portfolio Characteristics

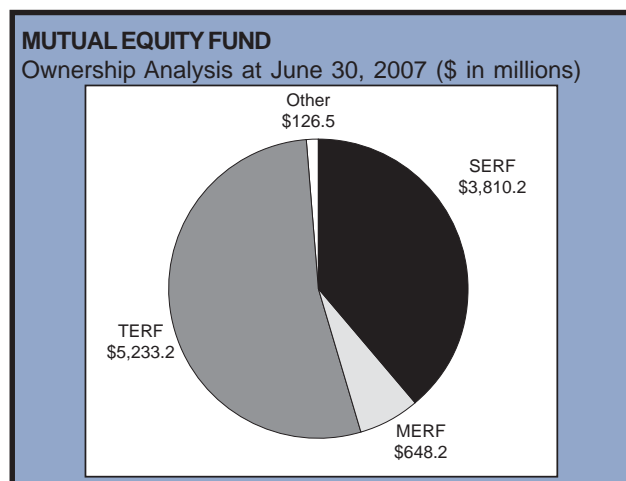
At fiscal year-end, MEF was 99.3% invested in domestic stocks, reflecting the Fund's policy that it be fully invested. The largest industry weightings at June 30, 2007 were financials (22.1%), followed by information technology (15.6%) and consumer discretionary (11.9%). (See figure 3-3.)

The MEF's ten largest holdings, aggregating to 16.8% of Fund investments, included a variety of blue chip companies. (See figure 3-9.)

Risk Profile

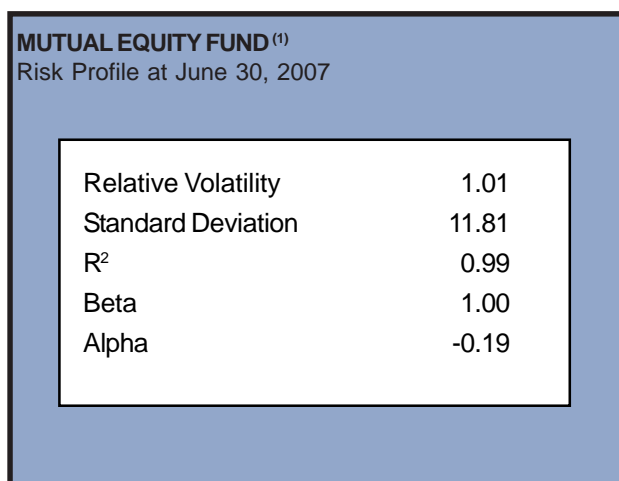
Based on returns over the last five years, the Fund has exhibited a similar degree of risk as that of its benchmark, the Russell 3000 Index. With a relative volatility of 1.01, the MEF's returns have almost equal volatility to those of the Index and reflect a strong degree of correlation, 0.99, to those of the Index. MEF's annual excess return during the five year period, or return relative to that achieved by the benchmark, was a negative 0.19%. (See figure 3-2.)

Figure 3-1



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

Figure 3-2



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

Figure 3-3

At 6/30/2007:	MEF		Russel 3000	
	% of Net Assets	Annual Return	% of Net Assets	Annual Return
Energy	8.8	23.8	8.4	27.4
Materials	4.3	32.4	3.8	30.0
Industrials	11.5	17.1	11.8	19.4
Consumer Discretionary	11.9	14.9	12.3	17.8
Consumer Staples	7.0	11.5	7.4	17.2
Health Care	11.8	14.1	11.8	16.7
Financials	22.1	14.5	21.8	13.2
Information Technology	15.6	22.8	14.8	25.3
Telecommunication Services	3.2	36.3	3.7	36.8
Utilities	3.8	24.5	4.2	25.9
	100.0		100.0	

(1) Excludes the Cash Reserve Account.

Figure 3-4

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
MEF	18.24	12.11	11.34	8.31
Russell 3000	20.07	12.44	11.53	7.62
Cumulative Total Return (%)				
MEF	18.24	40.92	71.14	122.21
Russell 3000	20.07	42.14	72.54	108.36

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 3-5

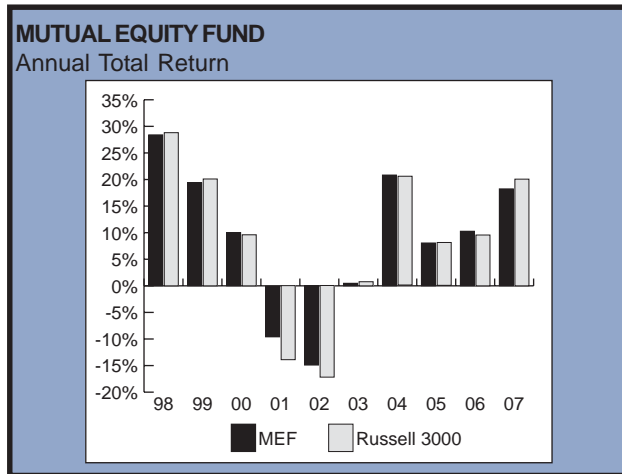


Figure 3-6

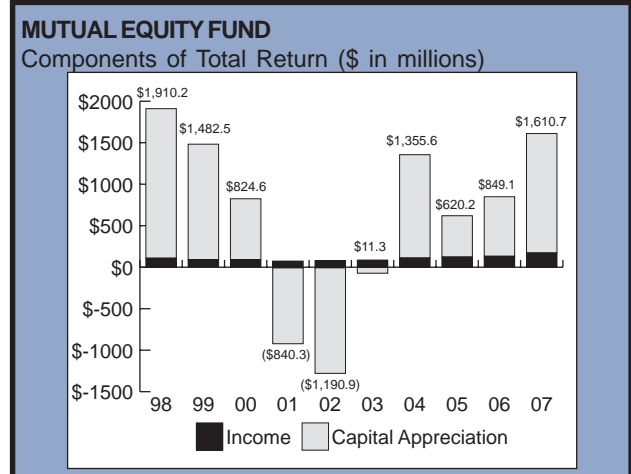


Figure 3-7

	2007		2006		2005		2004		2003	
	MEF	Russell	MEF	Russell	MEF	Russell	MEF	Russell	MEF	Russell
# of Issues	2,175	3,000	2,033	3,000	1,719	3,000	2,114	3,000	2,119	3,000
Cap (\$ Bil)	\$81.1	\$81.5	\$67.9	\$69.3	\$69.0	\$70.7	\$70.0	\$74.6	\$65.1	\$71.7
P/E	17.6	18.8	17.0	18.2	19.1	20.5	22.0	22.5	23.2	23.9
Div Yield	1.60%	1.70%	1.70%	1.80%	1.60%	1.70%	1.50%	1.60%	1.50%	1.70%
ROE	19.5%	20.0%	19.3%	19.1%	17.4%	17.3%	16.7%	16.7%	16.0%	16.2%
P/B	3.6x	4.0x	3.5x	3.6x	3.6x	3.8x	3.9x	4.0x	3.9x	4.0x
Cash & Equiv.	0.7%	0.0%	1.0%	0.0%	3.1%	0.0%	0.8%	0.0%	1.1%	0.0%

Figure 3-8

Investment Advisor	Net Asset Value	% of Fund
Large Cap (Passive)	\$7,602,620,097	77.44%
BGI Barclays Global Investors, N.A.	4,259,754,445	43.39%
State Street Global Advisors	3,342,865,652	34.05%
Large Cap (Active)	271,304,820	2.76%
Capital Prospects	135,574,199	1.38%
FIS Group, Inc.	135,730,621	1.38%
Small/Mid Cap (Passive Enhanced)	1,090,141,967	11.10%
AXA Rosenberg Investment Management	1,090,141,967	11.10%
Small/Mid Cap (Active)	834,315,267	8.50%
TCW Cowen Asset Management	707,162,220	7.20%
Bivium	127,153,047	1.30%
Other ⁽¹⁾	19,704,034	0.20%
TOTAL MEF	\$9,818,086,185	100.00%

Figure 3-9

Security Name	Sector	Market Value	%
Exxon Mobil Corp	Energy	\$319,049,659	3.25%
Microsoft	Technology	188,642,126	1.92%
General Electric	Technology	186,511,759	1.90%
Bank America Corp	Financial	168,768,476	1.72%
Pfizer Inc	Health Care	147,809,558	1.51%
Cisco Systems Inc	Technology	145,826,889	1.49%
J P Morgan Chase & Co	Financial	138,976,451	1.42%
ConocoPhillips	Energy	122,188,076	1.24%
Verizon Communctns	Telecomm	115,426,641	1.18%
Altria Group Inc	Consmr Staples	114,028,913	1.16%
Top Ten		\$ 1,647,228,548	16.79%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

2007 mutual fixed income fund

Fund Facts at June 30, 2007

Investment Strategy/Goals: To invest in a range of fixed income securities, thereby providing diversification to the retirement funds' overall performance in different economic environments.

Performance Objective: To achieve a net return that exceeds its composite benchmark by 0.75 percentage points per annum, over rolling three to five year periods.

Benchmark: 73% LB Aggregate, 17% Citigroup High Yield Market Index and 10% JPM Emerging Markets + Bond Index.

Date of Inception: July 1, 1972

Total Net Assets: \$7,593,536,877

Number of Advisors: 12 external

Management Fees: \$8,473,079

Operating Expenses: \$648,281

Expense Ratio: 0.13%

Turnover: 282.6%

Performance Summary

For the fiscal year ended June 30, 2007 the Mutual Fixed Income Fund (MFIF) generated a total return of 6.92% net of fees and operating expenses, underperforming the hybrid benchmark return of 7.63% by 71 basis points. Fiscal year underperformance was primarily attributable to the MFIF's under allocation to high yield and emerging market debt as well as poor manager performance within the high yield space. Comparative returns from indexes comprising the benchmark include: The Lehman Brothers Aggregate Index 6.12%, the Citigroup High Yield Market Index 11.55% and JP Morgan Emerging Markets Bond Index 11.94% (JP EMBI+).

During the fiscal year, the Fund increased \$1.174 billion, from \$6.419 billion to \$7.593 billion. Of this total, \$739 million was due to net cash inflows from participating Pension and Trust Funds and \$363 million of net investment income, plus \$72 million from net realized and unrealized gains.

For the trailing three, five and ten-year periods, MFIF's compounded annual total returns were 5.10%, 5.99% and 6.25% respectively, net of fees. These returns are behind the benchmark by 53, 89, and 54 basis points respectively.

The cumulative total returns for the three, five, and ten-year periods ending June 30, 2007, were 16.10%, 33.78% and 83.42%, respectively.

Description of the Fund

The Mutual Fixed Income Fund is an externally managed fund investing primarily in domestic fixed income securities. The Fund serves as an investment tool for the Pension and Trust Funds with the goal of reducing volatility in returns under various economic scenarios. Fixed income securities represent fixed, variable and zero coupon bonds issued by U.S. federal and state governments, foreign governments, domestic and international corporations and municipalities. During periods of low inflation, fixed income investments may enhance the overall performance of the Pension and Trust Funds, while in times of moderate inflation and high nominal interest rates, these investments may contribute satisfactory investment returns.

During fiscal year 2007, the Office of the Treasurer continued to update investment contracts to reflect the legal and business requirements of the Office of the Treasurer and the State of Connecticut. Additionally, the Office has begun the process of reviewing the Fund's investment objectives to consider changes for the Investment Policy Statement.

At June 30, 2007, 12 advisors managed investments in the Fund. The Fund's investments were allocated to five advisors investing approximately 84% of the portfolio in core strategies, two advisors actively investing 8% of the portfolio in high yield strategies, two advisors actively investing approximately 4% of the portfolio in

inflation linked bonds, and two advisors actively investing 4% of the portfolio in emerging markets debt. (See figure 6-11.)

Since inception, the MFIF's objective has been to achieve an annual return, net of management fees and operating expenses, of 50 basis points in excess of the LB Aggregate, which is widely considered to parallel the performance of the U.S. bond market. During fiscal year 2000, another performance measurement benchmark for the MFIF was added to reflect the Fund's strategic allocation to other fixed income markets, such as high yield securities and emerging market debt. The new benchmark is a hybrid comprising 73% LB Aggregate, 17% Citigroup High Yield Market Index, and 10% JP EMBI+, and the Fund's goal is to exceed the return of the hybrid index by 50 basis points annually.

Portfolio Characteristics

MFIF continues to be well diversified across the spectrum of available fixed income securities. The Fund maintained a substantial concentration in Mortgage securities, comprising approximately 45.6% of the Fund's investment securities at fiscal year-end. The Fund also maintained a concentration in Government, Agency, Corporate, Mortgage-Backed and Asset-Backed securities of 20.0%, 26.1%, 17.4%, 11.5% and 1.9% respectively. Sector concentrations differed from those comprising the LB Aggregate, reflecting the collective allocations of the Fund's active investment advisors. The Fund's average quality rating was AA-1, as judged by Moody's Investor Services, supported by its 75.0% concentration in Mortgage, Government, and Corporate securities. Relative to the Index, MFIF held a lesser degree of below investment grade securities including emerging market debt. (See figure 6-4.)

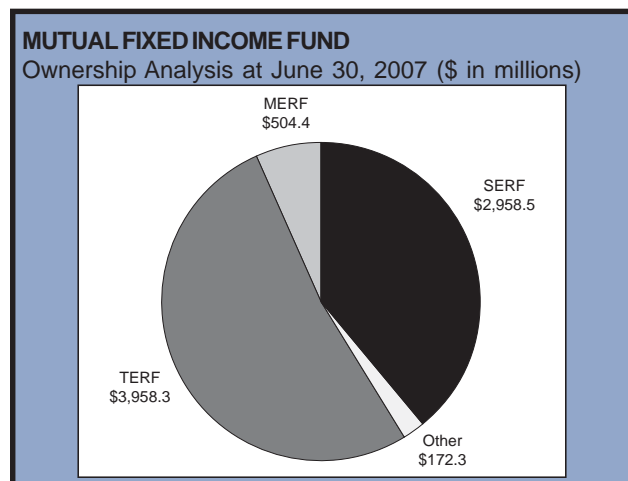
Risk Profile

Given MFIF's investment policies and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to, purchasing power risk, default risk, reinvestment risk and market risk. In addition, the Fund is occasionally exposed to political and economic risk and currency risk resulting from investments in international fixed income securities.

In fixed income investing, returns are extremely sensitive to changes in market interest rates. In general, the longer the time to maturity of a fixed income investment (and the resultant increase in time during which interest rates may change), the greater the level of risk assumed. To measure the degree of MFIF's price sensitivity to changes in market interest rates, the Fund's duration, or the weighted average time period over which cash flows are received by the investor, is monitored. At June 30, 2007, the Fund held a duration-neutral stance relative to the LB Aggregate Index of 5.7 years. While often viewed as an indicator of risk, duration can, if managed effectively, contribute significantly to total Fund returns. (See figure 6-3)

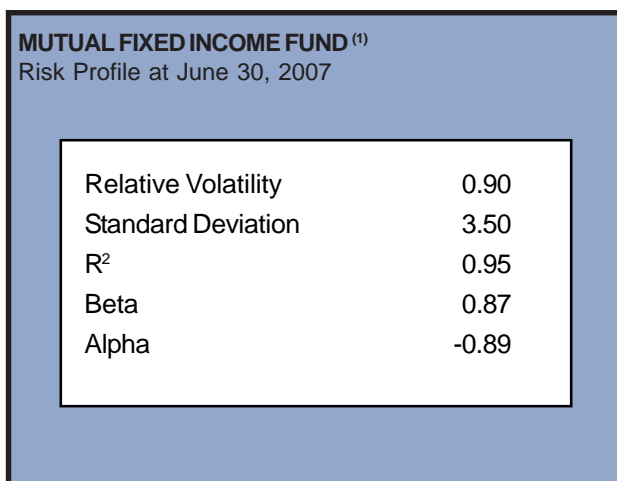
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-1



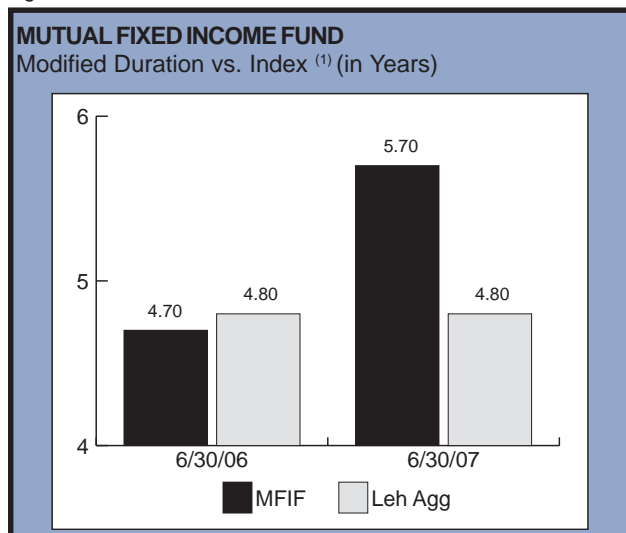
TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
MERF - Connecticut Municipal Employees' Retirement Fund

Figure 4-2



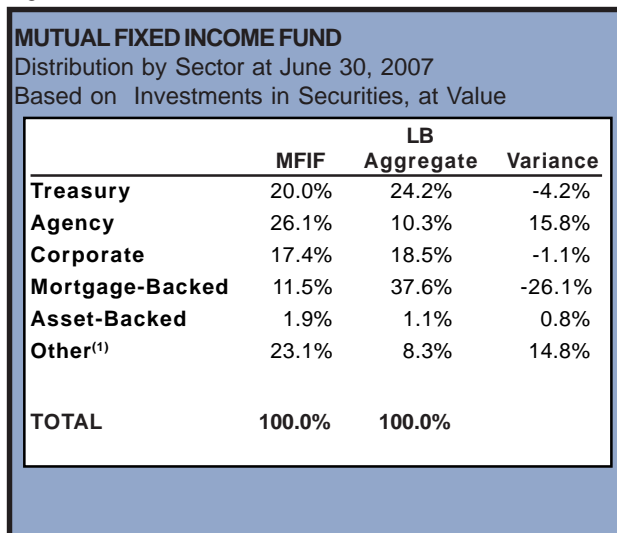
(1) Based upon returns over the last five years.

Figure 4-3



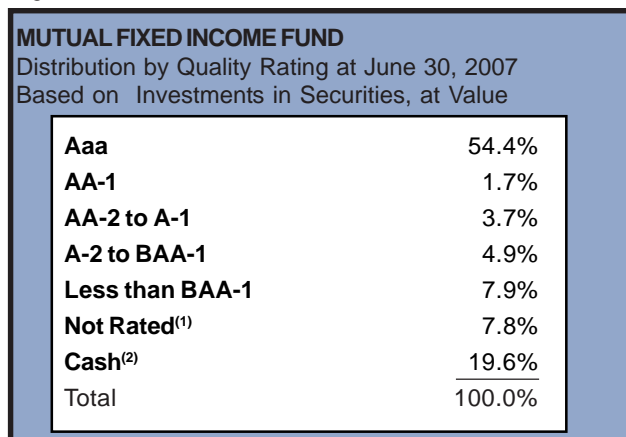
(1) Computed without the effect of Cash and other Net Assets.

Figure 4-4



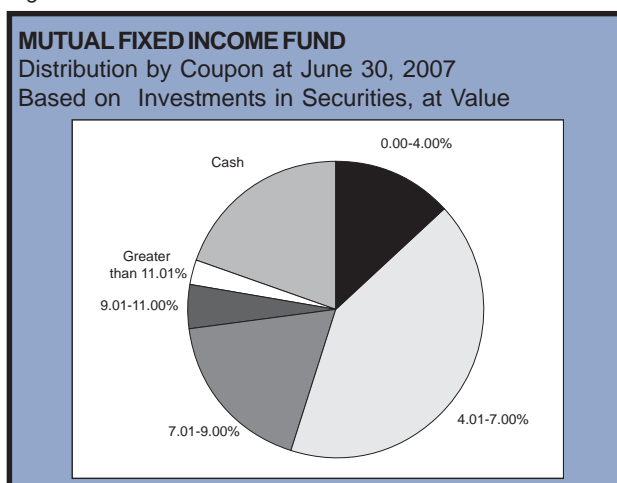
(1) Other category includes non fixed-income securities such as common and preferred stock and convertible securities, cash and other assets.

Figure 4-5



(1) Represents securities for which ratings are unavailable.
(2) Represents monies invested in the Cash Reserve Account and cash equivalents.

Figure 4-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-7

MUTUAL FIXED INCOME FUND	
Macauley Duration Distribution at June 30, 2007 Based on Investments in Securities, at Value	
0-3 Years	26.3%
3-5 Years	23.0%
5-7 Years	12.9%
7-10 Years	7.8%
10+ Years	7.8%
Unknown⁽¹⁾	2.6%
Cash⁽²⁾	<u>19.6%</u>
Total	100.0%

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

(2) Represents monies invested in the Cash Reserve Account and cash equivalents.

Figure 4-9

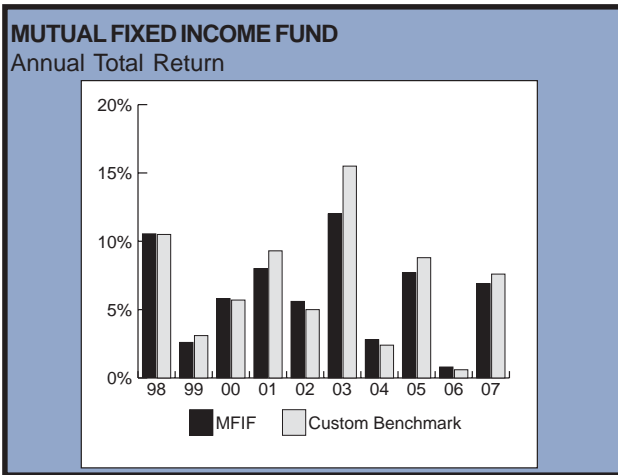


Figure 4-11

MUTUAL FIXED INCOME FUND		
Investment Advisors at June 30, 2007		
Investment Advisor	Net Asset Value	% of Fund
Core	\$5,469,988,422	72.03%
State Street Global Advisors	1,521,904,665	20.04%
BlackRock Financial Mgmt, Inc.	1,236,343,626	16.28%
Wellington	976,593,069	12.86%
Western Asset Management Co.	1,170,103,001	15.41%
Phoenix	483,074,069	6.36%
Progress	81,969,992	1.08%
High Yield	628,347,585	8.27%
Loomis Sayles & Co., Inc.	402,817,648	5.30%
Oaktree Capital Management, LLC	225,529,937	2.97%
Emerging Market Debt	318,250,844	4.19%
Ashmore	208,014,620	2.74%
Bridgewater	110,236,224	1.45%
Inflation Linked Bonds	255,347,701	3.37%
Brown Brothers Harriman	137,170,597	1.81%
Hartford Investment Mgmt Co.	118,177,104	1.56%
Other ⁽¹⁾	921,602,325	12.14%
TOTAL MFIF	\$7,593,536,877	100.00%

(1) Other represents moneys earmarked for distribution to participants, reinvestment, and expenses as well as terminated advisor balances, Currency Overlay Managers (Bank of New York and Bridgewater), CT Financial Development Fund, Keystone Venture V Partnerships and GarMark Partners II LP.

Figure 4-8

MUTUAL FIXED INCOME FUND				
Periods ending June 30, 2007				
	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
MFIF	6.92	5.10	5.99	6.25
MFIF Hybrid Benchmark	7.63	5.63	6.88	6.79
Cumulative Total Return (%)				
MFIF	6.92	16.10	33.78	83.42
MFIF Hybrid Benchmark	7.63	17.87	39.49	92.85

Figure 4-10

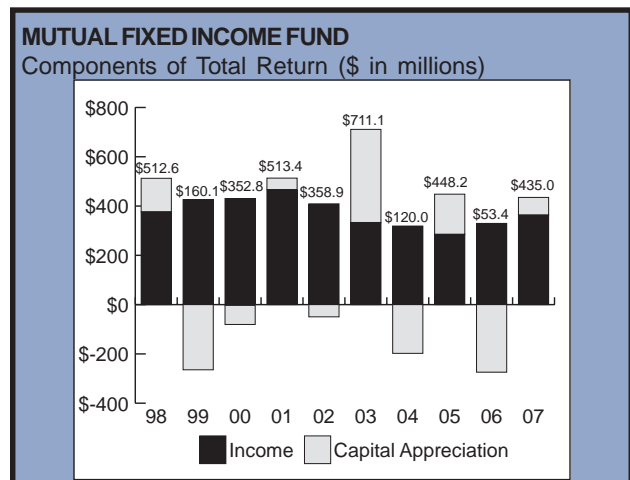


Figure 4-12

MUTUAL FIXED INCOME FUND			
Ten Largest Holdings* at June 30, 2007			
Security Name	Maturity	Market Value	%
FNMA TBA	12/01/37	\$171,792,513	2.01%
FNMA TBA	12/01/37	142,351,576	1.67%
FNMA TBA	12/01/37	137,801,536	1.61%
FNMA TBA	12/01/37	135,490,863	1.59%
U.S. Treasury Notes	04/30/12	94,475,391	1.11%
U.S. Treasury Notes	05/15/17	80,427,299	0.94%
U.S. Treasury Notes	05/15/16	70,965,988	0.83%
GNMA I TBA	12/01/37	56,986,638	0.67%
U.S. Treasury Bonds	05/15/17	55,148,995	0.64%
FNMA Pool 735989	02/01/35	53,657,688	0.63%
Top Ten		\$ 999,098,487	11.70%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 4-13

MUTUAL FIXED INCOME FUND										
Comprehensive Profile for the Fiscal Years ending June 30,										
	2007		2006		2005		2004		2003	
	MFIF	LB Agg	MFIF	LB Agg	MFIF	LB Agg	MFIF	LB Agg	MFIF	LB Agg
Number of Issues	4,531	8,562	4,332	6,561	4,511	5,859	4,566	6,976	4,319	7,472
Average Coupon	5.40%	5.50%	5.30%	5.30%	5.60%	5.30%	5.90%	5.40%	6.20%	6.10%
Yield Maturity	5.90%	5.70%	6.10%	5.80%	5.00%	4.40%	5.20%	4.60%	4.50%	3.40%
Average Maturity	11.40	7.10	7.60	7.00	7.10	6.30	7.70	6.70	7.50	6.20
Modified Duration ⁽²⁾	5.70	4.80	4.70	4.80	4.40	4.30	4.80	4.70	4.60	4.20
Average Quality	AA-1	AAA	AA-2	AA-1	AA-3	AA-1	AA-2	AA-1	AA-3	AA-1
Cash ⁽¹⁾	19.6%	0.0%	11.2%	0.0%	10.5%	0.0%	12.0%	0.0%	12.8%	0.0%

(1) Includes funds invested in the Cash Reserve Fund and cash equivalents.

(2) Compounded without the effect of Cash and Other Net Assets.

Figure 4-14

MUTUAL FIXED INCOME FUND					
Quarterly Current Yield ⁽¹⁾ vs. Indices (%)					
	6/30/07	3/31/07	12/31/06	9/30/06	6/30/06
MFIF	4.60	4.51	4.73	4.87	4.97
Leh Agg	5.45	5.32	5.31	5.28	5.37
Citigroup 3 Month T-Bill	4.80	5.03	5.01	4.89	5.04
Lehman Treasury	4.93	4.82	4.81	4.76	4.83
Lehman Agency	5.18	5.07	5.01	4.96	5.01
Lehman Mortgage	5.58	5.45	5.50	5.48	5.57
Lehman Corporate	6.01	5.86	5.83	5.82	5.99
Lehman Asset Backed	5.24	5.07	5.04	4.99	4.91

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

2007 international stock fund

Fund Facts at June 30, 2007

Investment Strategy/Goals: To participate in the growth of the global economy through the ownership of foreign equity securities.

Performance Objective: An annual total return that is one percentage point greater than the ISF Hybrid Benchmark after expenses.

Benchmark: ISF Hybrid Benchmark (83% S&P/Citigroup Europe, Pacific, Asia Composite Broad Market Index, 50% Hedged and 17% MSCI Emerging Market Free)

Date of Inception: January 1, 1988

Total Net Assets: \$6,020,750,578

Number of Advisors: 14 external

Management Fees: \$28,520,098

Operating Expenses: \$1,196,967

Expense Ratio: 0.52%

Turnover: 63.0%

Performance Summary

For the fiscal year ended June 30, 2007, the International Stock Fund (ISF) generated a return of 29.65%, net of fees and operating expenses, which underperformed its hybrid benchmark index return of 30.10% by 45 basis points. The underperformance was largely attributable to the individual manager performances within the international small cap and underperformance of the currency hedge program.

During fiscal year 2007, ISF net assets increased from \$5.357 billion to \$6.020 billion, an increase of \$663 million. This included realized and unrealized net capital gains of \$1.386 billion and net investment income less salary and fringe benefits of \$137 million partly offset by \$860 million due to net cash outflows to participating pension plans and trusts.

The Fund returned 24.84%, 18.79% and 9.34% for the three, five and ten year periods underperforming the benchmark returns of 25.75% and 19.23% by 91 and 44 basis points for the three and five year periods while outperforming the benchmark return of 9.03% for the 10 year period by 31 basis points. The cumulative returns for the Fund for the three, five and ten years were 94.56%, 136.57 and 144.11% respectively as illustrated in Figure 4-4 below.

Description of the Fund

The International Stock Fund is an externally managed fund, which invests in foreign equity securities. It serves as an investment tool for the Pension and Trust Funds, with the goal of participating in the growth of global economy. It is used to reduce short-term volatility in the Pension and Trust Funds returns by providing an additional layer of asset diversification.

Established in 1988, the ISF's performance objective was an annual total return, net of management fees and Division operating expenses, which exceeds that of the Hybrid Benchmark, a measure of the returns of developed, non-U.S. stock markets, by 100 basis points. During a structure review in fiscal year 2000, the objective was changed to reflect the Fund's strategic exposure to emerging markets, as well as an exposure to stocks of smaller companies in the developed international markets. The new objective is for the return of the Fund (net of fees) to exceed the return of a hybrid index comprising 83% of the S&P / Citigroup Europe Pacific Asia Composite Broad Market Index (50% Hedged) and 17% of the Morgan Stanley Capital International Emerging Market Free Index (MSCI EMF) by 100 basis points.

At the end of fiscal year 2007, the Fund had fourteen external advisors, selected on the basis of expected future performance and investment style. One advisor managed two portfolios: an emerging markets and an active large cap value portfolio. (See figure 4-8.) Based on the Fund's holdings, as of June 30, 2007, approximately 55% of the portfolio was actively managed in core, growth, value and small cap, while 22% was actively

managed within the emerging markets, 12% was actively managed within risk controlled and 11% was allocated to one advisor for passive management against the Citigroup Europe, Pacific, Asia Composite Primary Market Index (Citigroup EPAC PMI). Three new managers, AQR, Acadian, and Julius Baer, were added to the active core space.

Portfolio Composition

At fiscal year-end, ISF was 97.7% invested in international securities. Investments in Japan were the largest percentage of Fund assets, 20.2%. The United Kingdom accounted for 17.4% of investments followed by France at 7.9%. These geographic concentrations differed from those comprising the Hybrid index, reflecting the Fund's allocation to active management strategies. (See figure 4-7.)

The ISF was well diversified at year-end, holding more than 1,981 securities in the portfolio. The ISF's ten largest holdings included a variety of companies located throughout Europe and the Far East. The Fund's largest investment, comprising 1.4% of investment securities, was France's Total. In the aggregate, these ten holdings accounted for 9.7% of the Fund's investments at June 30, 2007. (See figure 4-9.)

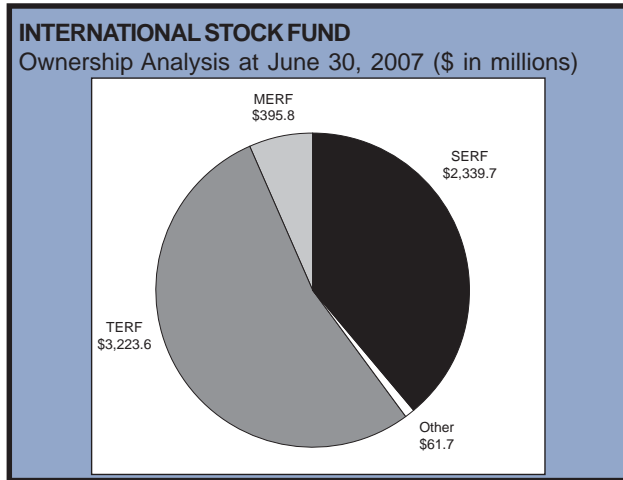
Risk Profile

Given ISF's investment policies and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to, political and economic risk, currency exchange risk, market risk, and individual company credit risk. The Treasurer determined that a 50% hedge ratio would provide an acceptable reduction in the portfolio's currency risk profile over time. The currency hedging strategy was implemented during the fiscal year ending June 30, 2004 with the hiring of two dedicated currency overlay managers. As a result, currency hedging is not a part of the investment mandates of the majority of other international equity managers within the Fund.

Based on returns over the last five years, the Fund's risk profile is similar to that of the Hybrid benchmark. The Fund's relative volatility to its benchmark over the five-year period ending June 30, 2007 has been 1.02%, while its high R² of 0.98 demonstrates a relatively strong overall correlation. In the aggregate, ISF's annualized excess return over the five-year period, or return in excess of that predicted by the benchmark, was negative 0.44%. (See Figure 4-2.)

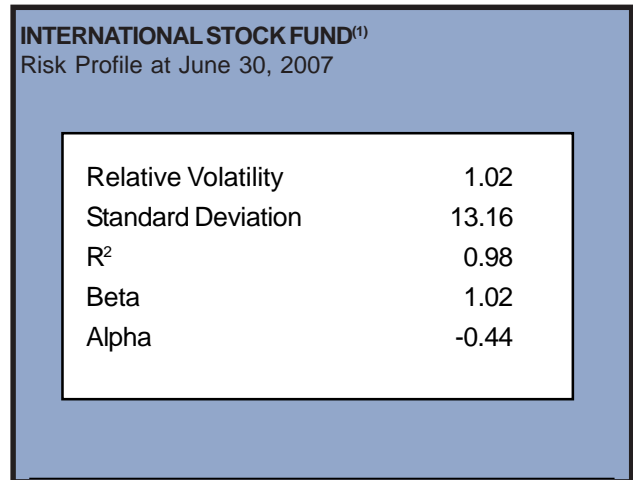
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 5-1



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

Figure 5-2



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

Figure 5-3

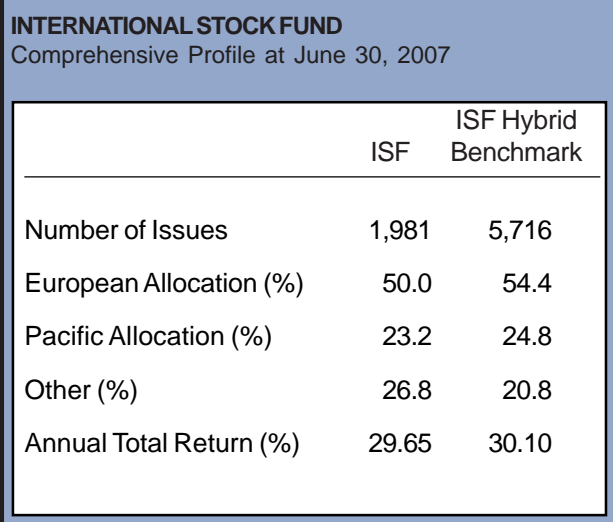


Figure 5-4

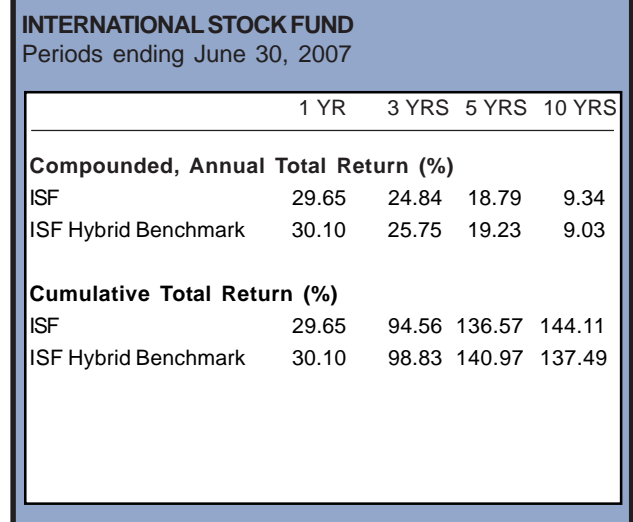


Figure 5-5

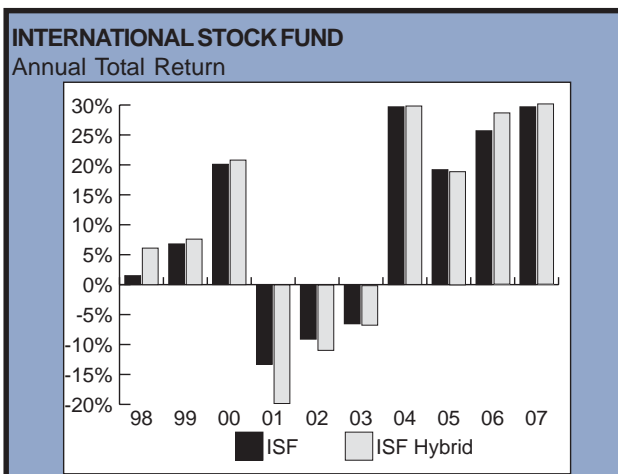
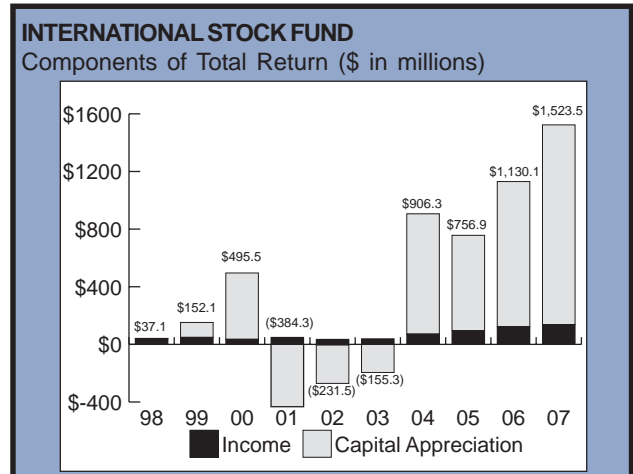


Figure 5-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 5-7

INTERNATIONAL STOCK FUND						
Diversification by Benchmark Country with Return (%) at June 30, 2007 ⁽¹⁾						
	ISF			ISF Hybrid Benchmark		
	% of	% of	Total	% of	% of	Total
	Net Assets	Net Assets		Net Assets	Net Assets	
	6/30/06	6/30/07	Return	6/30/06	6/30/07	Return
Japan	20.2	16.5	15.2	20.3	17.2	6.8
United Kingdom	17.4	15.0	27.5	18.4	17.1	26.4
Germany	5.1	6.8	55.5	5.5	6.6	50.2
France	7.9	8.3	35.2	7.8	7.9	30.1
Italy	2.7	2.7	40.8	3.3	3.2	26.0
Switzerland	5.6	5.4	26.7	5.2	5.1	20.7
Netherlands	3.7	3.5	8.6	2.7	3.1	44.3
Spain	1.9	1.5	59.3	3.2	3.5	41.2
Hong Kong	2.1	2.5	51.3	1.4	1.5	30.9
Sweden	1.3	2.0	33.1	2.0	2.3	48.0
Australia	2.7	3.0	41.5	4.3	5.0	44.4
Finland	1.7	1.3	9.0	1.1	1.2	40.3
Belgium	0.9	1.0	42.9	1.0	1.1	36.0
Singapore	0.9	1.1	56.8	0.8	1.0	56.3
Denmark	0.6	0.5	47.8	0.7	0.8	47.5
Ireland	0.4	0.5	19.2	0.7	0.7	28.3
Norway	0.8	0.6	46.1	0.7	0.9	48.1
Malaysia	0.4	1.2	65.4	0.5	0.5	64.7
Austria	0.5	0.7	63.1	0.4	0.5	37.3
New Zealand	0.3	0.1	41.8	0.1	0.1	50.7
Portugal	0.1	0.2	35.7	0.3	0.4	52.2
Other	<u>22.8</u>	<u>25.6</u>		<u>19.6</u>	<u>20.3</u>	
Total	100.0	100.0		100.0	100.0	

(1) Includes Cash Reserve Account and cash equivalents at each country level.

Figure 5-8

INTERNATIONAL STOCK FUND		
Investment Advisors at June 30, 2007		
Investment Advisor	Net Asset Value	% of Fund
Index	\$676,091,354	11.23%
State Street Global Advisors(Passive)	676,091,354	11.23%
Core	1,420,550,199	23.59%
Invesco Global Asset Mgmt. (Active)	340,442,677	5.65%
AQR Capital Management (Active)	351,132,855	5.83%
Acadian Asset Management (Active)	356,068,642	5.91%
Julius Baer Investment Mgmt. (Active)	284,601,180	4.73%
Progress (Active)	88,304,845	1.47%
Active-Growth	760,046,640	12.63%
Clay Finlay, Inc. (Active)	381,457,221	6.34%
MFS Institutional Advisors, Inc. (Active)	378,589,419	6.29%
Active-Value	732,417,295	12.16%
Grantham, Mayo, Van Otterloo (Active)	732,417,295	12.16%
Small Cap	352,673,013	5.86%
Schroder Investment Mgmt. (Active)	352,673,013	5.86%
Emerging	1,315,211,735	21.85%
Grantham, Mayo, Van Otterloo (Active)	693,418,946	11.52%
Emerging Markets Management (Active)	621,792,789	10.33%
Risk Controlled	700,893,905	11.64%
Merrill Lynch Investment (Active)	352,053,489	5.85%
Fidelity Management Trust Co. (Active)	348,840,416	5.79%
Other ⁽¹⁾	62,866,437	1.04%
SUBTOTAL ISF	6,020,750,578	100.00%

(1) Other represents (i) cash earmarked for distribution to participants, (ii) reinvestment and expenses as well as terminated advisor balances, (iii) Currency Overlay Managers, and (iv) CT Financial Development Fund, Keystone Venture V Partnerships and a new unfunded commitment to GarMark Partners II LP.

Figure 5-9

INTERNATIONAL STOCK FUND			
Ten Largest Holdings* at June 30, 2007			
Security Name	Country	Market Value	%
Total SA Eur 2.5			
Post Division	France	\$83,827,630	1.41%
Vodafone Group ORD			
USD 0.11428571	United Kingdom	76,005,235	1.28%
Samsung Electronic			
KRW 5000	Republic of Korea	62,688,222	1.06%
Glaxosmithkline			
Ord GBP .25	United Kingdom	62,463,517	1.05%
ING Groep NV CVA			
Euro .24	Netherlands	59,495,481	1.00%
Nestle SA	Switzerland	54,875,150	0.92%
ENI Eur 1	Italy	48,555,140	0.82%
Toyota Motor Corp			
JPY50	Japan	44,019,677	0.74%
Royal BK Scot GRP			
Ord GBP .25	United Kingdom	43,332,695	0.73%
Roche Holdings AG NPV	Switzerland	42,015,353	0.71%
Top Ten		577,278,100	9.72%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

2007 real estate fund

Fund Facts at June 30, 2007

Investment Strategy/Goals: (1) to provide diversification to the overall CRPTF investment program; (2) to preserve investment capital and generate attractive risk-adjusted rates of return; (3) to provide current income; and (4) to provide a hedge against inflation.

Performance Objective: An annual total return which is equal to or greater than CRPTF's actuarially determined assumed rate of return (currently 8.5%) and competitive with that of other asset classes in which CRPTF invests, on a risk adjusted basis.

Benchmark: National Council of Real Estate Investment Fiduciaries Index (NCREIF) 1quarter lag.

Date of Inception: July 1, 1982

Total Net Assets: \$685,689,112

Number of Advisors: 11 external

Management Fees ⁽¹⁾: \$721,844

Operating Expenses: \$646,428

Expense Ratio: 0.20%

Capitalized and Netted Fees: \$8,002,403

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

Performance Summary

For the fiscal year ending June 30, 2007, the Real Estate Fund (REF) generated a total return of 14.21%, net of fees, which under performed the National Council of Real Estate Investment Fiduciaries Index (NCREIF) of 16.59% by 238 basis points. Most of the under-performance is the result of a Senior Housing fund in Florida which also lowered the returns for fiscal 2006. This fund is scheduled for liquidation in 2008.

During the fiscal year, the value of REF increased from \$398.7 million to \$685.7 million, due primarily from the \$70.8 million generated from operations and net gains, and \$448.2 million of new purchases offset by \$89.7 million of distributions and \$142.3 million of redemptions.

For the trailing three, five and ten year periods, REF's compounded annual returns were 15.90%, 10.07%, and 10.70%, respectively, net of all expenses (see figure 5-8). The REF returns underperformed the benchmark in the three, five and ten year periods by 152 basis points, 366 basis points and 216 basis points, respectively. The Florida senior housing fund is the primary drag on all of these reporting periods. As mentioned earlier, we are taking the necessary steps to ensure a timely liquidation of the remaining assets in this fund. CRPTF is in the middle of a major portfolio restructuring with a heavy emphasis on the core property types including office, retail, apartment, industrial and hotel. Most of the restructuring will be completed by the end of the 2008 fiscal year.

Portfolio Activity

During fiscal year 2007, CRPTF committed \$50 million to Rockwood Capital Real Estate Partners Fund VII, L.P. CRPTF previously committed \$40 million to Rockwood Capital Real Estate Partners Fund V, L.P. and \$20 million to Rockwood Capital Real Estate Partners Fund VI, L.P. All three funds focus on repositioning assets primarily, apartment, office and hotel. The fund is projecting a 15% net return to investors.

CRPTF also committed \$25 million to Covenant Apartment Fund V, L.P., a value added fund with a strategy of repositioning older apartment complexes in the southeastern part of the United States. Projected returns are 16% - 18% net to investors.

The U.S. economy continues to grow at a moderate pace. The first quarter of 2006 showed a .6% increase followed by a 3.8% growth rate in the second quarter. So long as GDP growth remains in the 3% range, absorption and net income for commercial properties should continue to rise. New construction for most property types remains modest, and is expected to remain modest in 2008. Steady economic growth and modest new construction continues to attract capital to the real estate sector which in turn stabilizes property valuations.

The biggest negative to real estate investing has been the recent rise in long-term commercial mortgage rates. The higher rates are making it more difficult to buy existing properties and could negatively affect property valuations over time.

Description of the Fund

REF is an externally managed fund that invests in real estate, real estate related investments and mortgages. These investments are restricted by policy to the purchase of shares in group annuities, limited partnerships, group trusts, corporations, and other indirect ownership structures managed by professional commercial real estate investment firms.

REF is benchmarked against the NCREIF index. Its strategic objectives are: (1) to provide diversification to the overall CRPTF investment program; (2) to preserve investment capital and generate attractive risk-adjusted rates of return; (3) to provide current income; and (4) to provide a hedge against inflation. Its returns are expected to be equal to or greater than CRPTF's actuarially determined assumed rate of return (currently 8.5%) and competitive with that of other asset classes in which CRPTF invests, on a risk adjusted basis.

Portfolio Characteristics

At June 30, 2007, the portfolio consisted of 18 externally managed portfolios/investments, with 1% invested in real estate trusts, 76.5% invested in commingled funds and 22.3% invested in cash. The Fund's ten largest holdings aggregated to 82.6% of the fund. (See figure 5-12.)

As currently structured, 22.3% of the REF is invested in cash, 18.2% apartment, 14.5% hotel, 13.5% retail, 9.7% senior housing, 6.6% office and 4.8% industrial. (See figure 5-7.)

The portfolio is reasonably well diversified geographically with 16.6% in the West, 26.3% in the South, 26.7% in the East and 3.7% in the Midwest. 4.3% is invested internationally. (See figure 5-6.)

Risk Profile

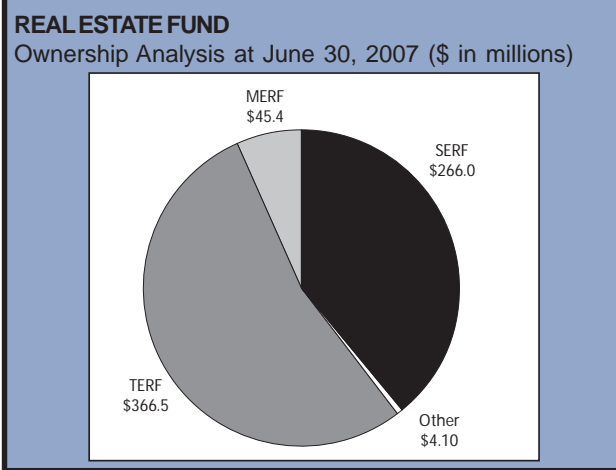
Given REF's investment policy and objectives, the Fund is exposed to several forms of risk. These include risks attendant to alternative investments, such as management, operations, market, and liquidity risk, but also include geographic, financing, and construction risks specific to real estate investments.

As shown below, based on returns over the last five years, the Fund has exhibited substantially more volatility than its benchmark. The Fund's statistics are consistent with its extraordinarily low R2 of .22, signifying almost no correlation between Fund returns and those of the benchmark. Its beta of 0.16 indicates little sensitivity to overall fluctuations in the benchmark. In the aggregate, the Fund's monthly alpha, or return relative to that achieved by the benchmark, was negative 3.66 over the five-year time period. As mentioned earlier, a major restructuring of the Fund is in process to more closely align the Fund with the benchmark. (See figure 5-2.)

The portfolio is reasonably well diversified geographically with 19.0% in the West, 25.6% in the South, 25.8% in the East and 4.0% in the Midwest. 4.0% is invested internationally. (See figure 6-6.)

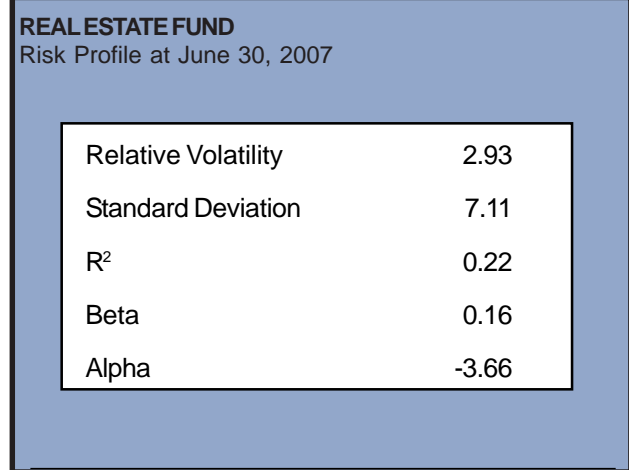
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 6-1



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

Figure 6-2



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

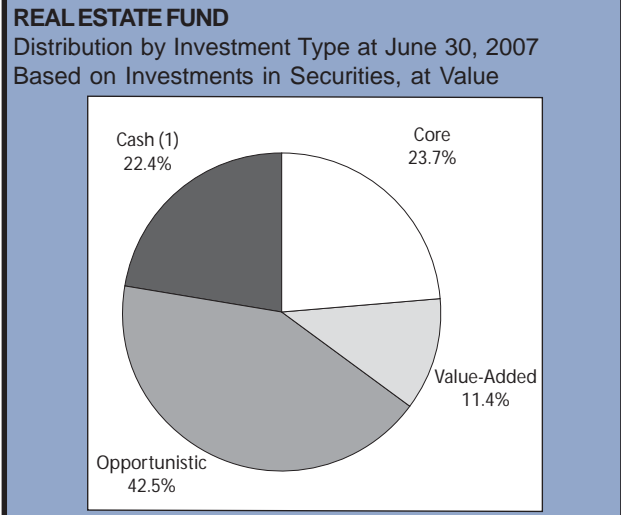
Figure 6-3

REAL ESTATE FUND
Investments Analysis ⁽¹⁾

At	No. of REF Investments	REF Book Value	REF Market Value
6/30/2007	23	485,341,323	531,570,750
6/30/2006	12	259,551,191	330,169,779
6/30/2005	11	304,926,401	394,855,227
6/30/2004	10	324,142,113	344,673,596
6/30/2003	10	393,641,512	420,132,363
6/30/2002	10	413,693,249	467,819,628
6/30/2001	10	403,106,638	471,662,581
6/30/2000	11	434,881,420	478,966,334
6/30/1999	14	395,221,763	380,769,286
6/30/1998	20	407,989,996	379,124,673

(1) Number of investments in annuities, partnerships, corporations, and trusts, excluding the Cash Reserve Account.

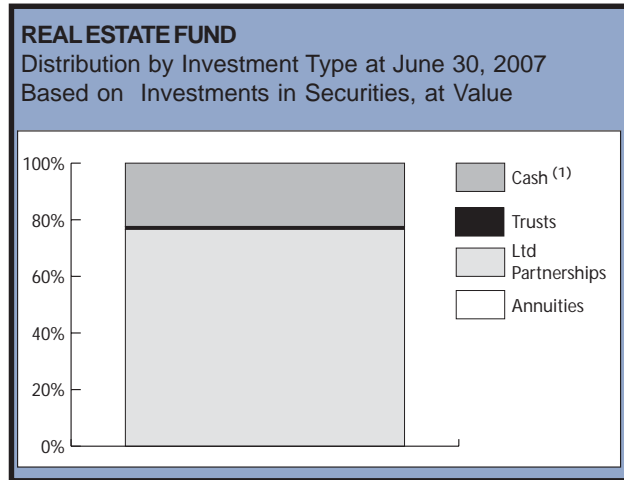
Figure 6-4



(1) Cash Reserve Account and other monetary assets.

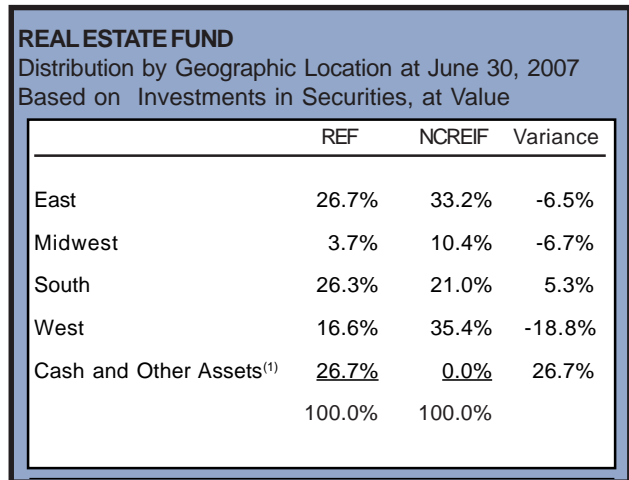
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 6-5



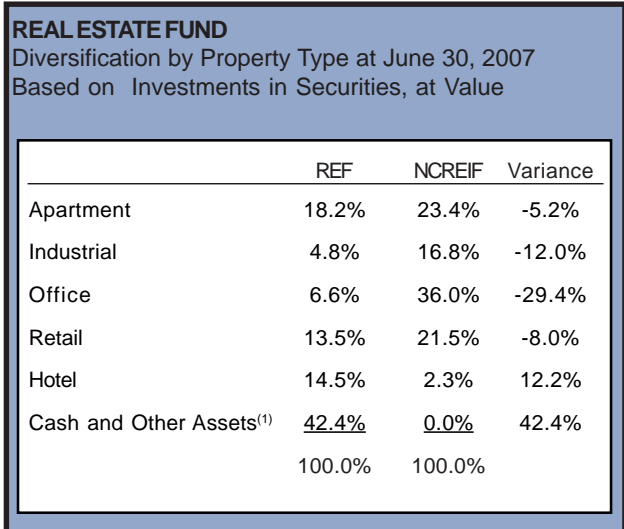
(1) Cash Reserve Account.

Figure 6-6



(1) Includes non-U.S. (4.3%) and cash and monetary assets (22.4%).

Figure 6-7



(1) Other includes senior living (9.7%), real estate/mixed use (5.8%), land (4.5%) and cash and other assets (22.4%).

Figure 6-8

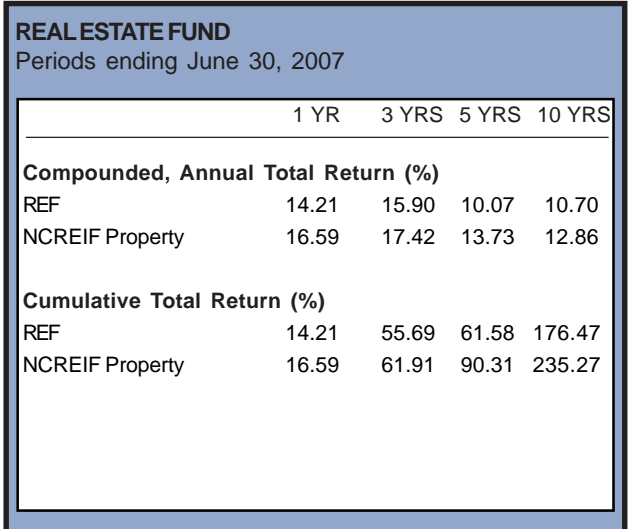


Figure 6-9

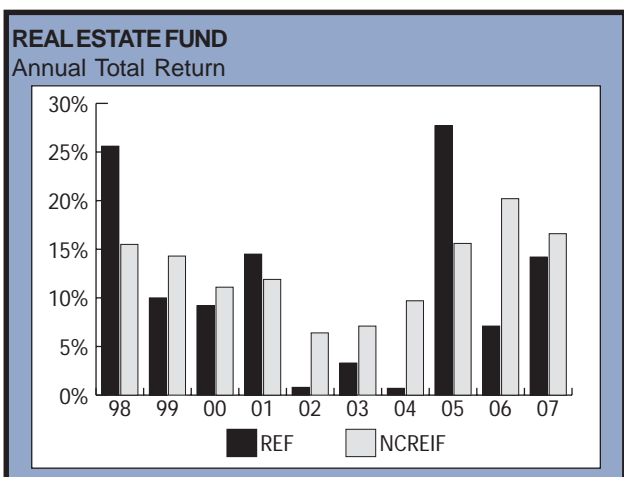
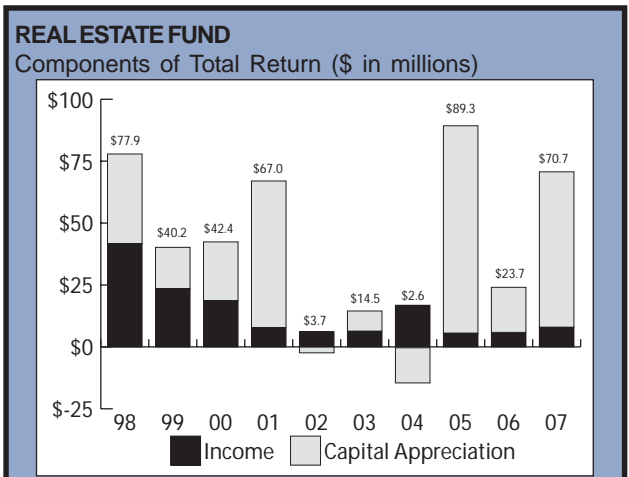


Figure 6-10



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 6-11

REAL ESTATE FUND		
Investment Advisors at June 30, 2007		
Investment Advisor	Net Asset Value	% of Fund
AEW Capital Management	\$20,388,381	2.97%
AEW Core	134,741,546	19.65%
Westport Senior Living	58,609,060	8.55%
Walton Street Real Estate	51,524,546	7.51%
Apollo Real Estate	40,441,079	5.90%
Rockwood Capital Fund V	23,159,813	3.38%
Rockwood Capital VII Limited Partnership	25,992,534	3.79%
Rockwood Capital VI Limited Partnership	14,082,233	2.05%
Capri Select Income II LLC	25,733,848	3.75%
Starwood Opportunity Fund VII	38,091,196	5.56%
New Boston Fund	7,147,382	1.04%
RLJ Urban Lodging Fund	14,259,036	2.08%
RLJ Urban Lodging Fund II	31,964,425	4.66%
Canyon Johnson Urban Fund II	19,195,566	2.80%
Covenant Apartment Fund V LP	15,000,000	2.19%
Macfarlane Urban Real Estate Fund II LP	(653,571)	-0.09%
Cigna Realty Investors	966	0.00%
Urban Strategy America Fund LP	11,892,712	1.73%
Other ⁽¹⁾	154,118,360	22.48%
SUBTOTAL REF	685,689,112	100.00%

(1) Other represents moneys earmarked for distribution to participants, reinvestment, and expenses as well as terminated advisor balances, Currency Overlay Managers (Bank of New York and Bridgewater), CT Financial Development Fund, Keystone Venture V Partnerships and GarMark Partners II LP.

Figure 6-12

REAL ESTATE FUND			
Ten Largest Holdings* at June 30, 2007			
Property Name	Type	Market Value	%
Westport Senior Living Inv FD	Sr Living	\$58,609,060	8.56%
Walton Street RE II LP Fnd 2	Various	51,524,546	7.52%
Rio Hill Shopping Center	Retail	47,426,241	6.93%
Apollo Real Est Invest Fd III	Various	40,441,079	5.90%
Starwood Opportunity Fund VII	Various	38,091,196	5.56%
The Glen at Lafayette Hill	Apartment	32,270,431	4.71%
RLJ Urban Lodging Fund II	Hotel	31,964,425	4.67%
Rocky Creek Apartments	Apartment	30,595,941	4.47%
Rockwood Capital R.E. Fund VII	Various	25,992,534	3.80%
Capri Select Income II	Various	25,733,848	3.76%
Top Ten		382,649,301	55.88%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

2007 commercial mortgage fund

Fund Facts at June 30, 2007

Investment Strategy/Goals: To achieve yields in excess of those available on domestic fixed income securities by investing in mortgages on income producing property or in commercial mortgage backed securities (CMBS).

Performance Objective: An annual total return which is one percentage point greater than that of the Lehman Aggregate Index after expenses.

Benchmark: Lehman Aggregate Index

Date of Inception: November 2, 1987

Total Net Assets: \$7,767,481

Number of Advisors: 1 external

Management Fees: \$100,083

Operating Expenses: \$6,712

Expense Ratio: 1.37%

Performance Summary

For the fiscal year ended June 30, 2007, the Commercial Mortgage Fund (CMF or the Fund) generated a return of 8.17%, net of management fees and operating expenses, out performing the Lehman Aggregate Bond Index (LABI) of 6.12% by 205 basis points. The Fund's favorable performance is attributable to its yield advantage versus the benchmark.

During the fiscal year, CMF assets declined from \$18.203 million to \$7.767 million. This reduction was due to distributions of \$11.120 million offset by net income from operations of \$0.684 million.

For the trailing three, five, and ten-year periods, CMF's total compounded annual portfolio return was 8.14%, 10.45% and 9.55%, respectively, net of all expenses. The Fund's results over the three, five and ten-year periods exceeded the benchmark by 416 basis points, 597 basis points and 353 basis points, respectively.

Description of the Fund

CMF is an externally managed fund that holds mortgages on income-producing commercial property. Established in 1982, it serves as a fixed income investment tool for the pension plans with the goal of realizing yields in excess of those available from traditional domestic fixed income securities, while accepting slightly greater credit risk.

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

The Fund's performance objective is an annual total return, net of management fees and operating expenses, which exceeds that of Lehman Aggregate Index by 100 basis points.

Portfolio Activity

At June 30, 2007, the Fund consisted of 1 commercial mortgage loan in the amount of \$7,262,768 and five residential mortgage pools with a combined value of \$359,531. The Fund also had \$141,162 of cash. The Fund continues to be inactive regarding new loans and is being managed to maximize the total return of its remaining holdings.

In the fiscal year ending June 30, 2007, the U.S. economy continued to expand at a slow pace. Optimism for further economic growth has recently been tempered by disruptions in the debt markets, particularly sub-prime residential mortgages.

Portfolio Characteristics

The sole remaining commercial mortgage loan is secured by three mobile home parks in Phoenix, AZ. The loan has a 9.55% interest rate and a maturity of September 2012. The loan amortized by approximately \$1 million during the fiscal year. Debt service coverage is abundant at 2.97 times.

The portfolio is healthy from a credit risk standpoint. CMF had no delinquent or non-performing loans at fiscal year end. None of the Fund's investments are scheduled to mature in the next 12 months.

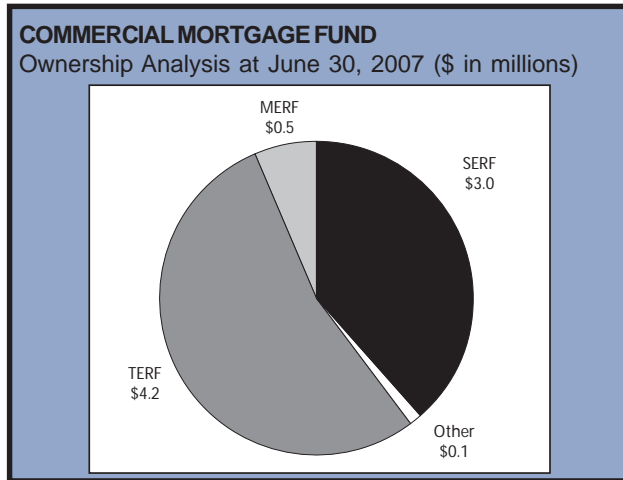
Risk Profile

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

Based on returns over the last five years, the Fund's risk profile is similar to that of the Lehman Aggregate Index. With a relative volatility of 1.49, its returns are slightly more volatile than the index; however, its returns show modest correlation to those achieved by the benchmark. The Fund's beta of 0.17 signifies a limited amount of sensitivity to movements in the Index as a whole. CMF's five-year monthly alpha, or return in excess of that predicted by returns in the overall market, at June 30, 2006 was 5.97.

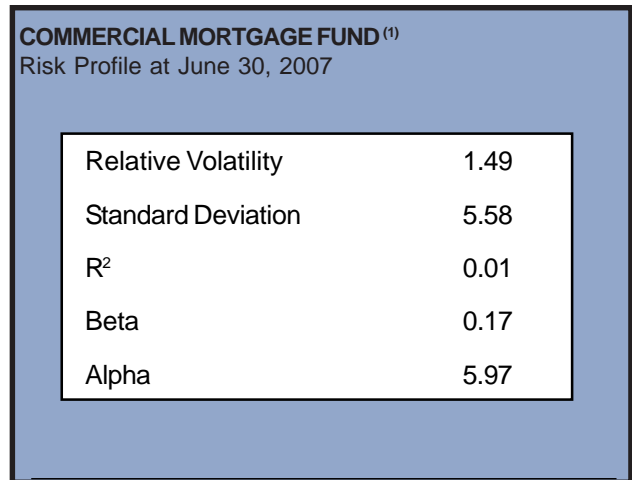
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 7-1



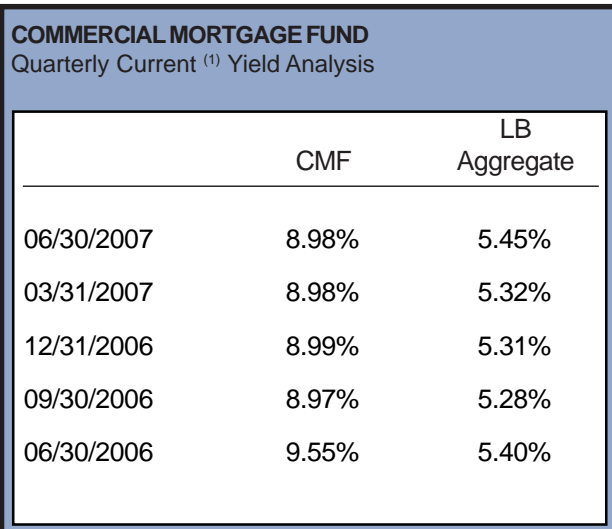
TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
MERF - Connecticut Municipal Employees' Retirement Fund

Figure 7-2



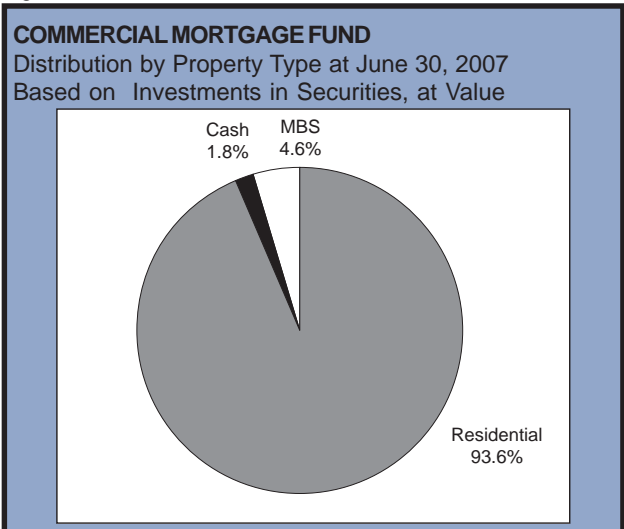
(1) Based upon returns over the last five years.

Figure 7-3



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

Figure 7-4



(1) Includes senior ground leases.

Figure 7-5

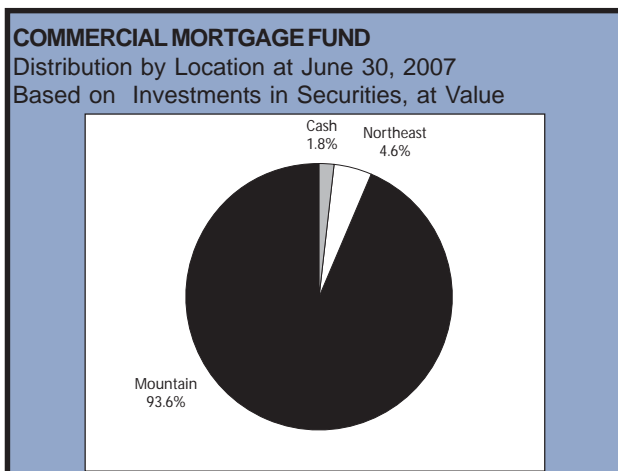
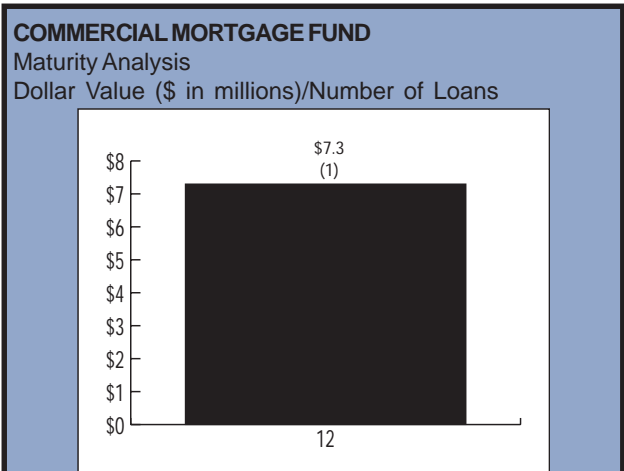


Figure 7-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 7-7

	1 YR	3 YRS	5 YRS	10 YRS
COMMERCIAL MORTGAGE FUND				
Periods ending June 30, 2007				
Compounded, Annual Total Return (%)				
CMF	8.17	8.14	10.45	9.55
Lehman Agg	6.12	3.98	4.48	6.02
Cumulative Total Return (%)				
CMF	8.17	26.48	64.38	148.93
Lehman Agg	6.12	12.43	24.52	79.36

Figure 7-8

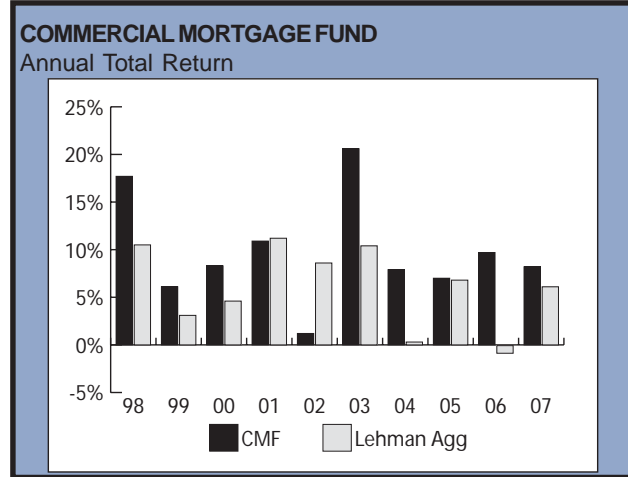


Figure 7-9

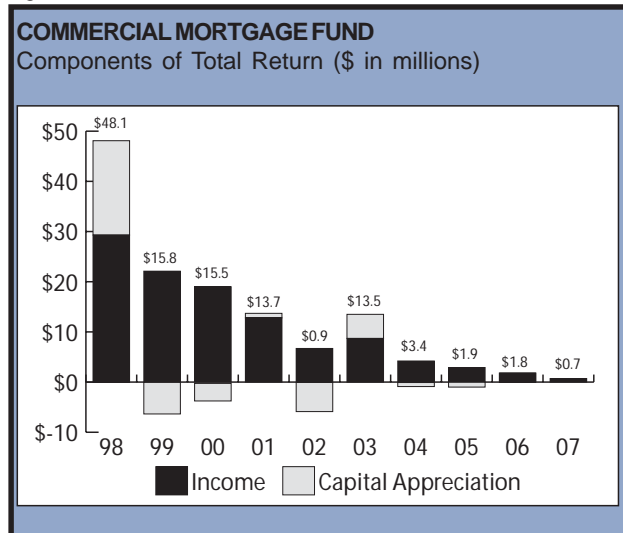


Figure 7-10

COMMERCIAL MORTGAGE FUND
Investment Advisors at June 30, 2007

Investment Advisor	Net Asset Value	% of Fund
AEW Capital Management	\$ 7,262,826	93.50%
Other ⁽¹⁾	504,655	6.50%
SUBTOTAL CMF	7,767,481	100.00%

Figure 7-11

COMMERCIAL MORTGAGE FUND
Five Largest Holdings* at June 30, 2007

Property Name	Property Type	Market Value	%
SASCO	Other	\$7,262,768	93.55%
Yankee Mac E 11.056%	Residential	159,574	2.05%
Yankee Mac G 11.125%	Residential	122,371	1.58%
Yankee Mac F 12.981%	Residential	65,094	0.84%
Yankee Mac A 13.075%	Residential	12,492	0.16%
Top Five		7,622,299	98.18%

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

* A complete list of portfolio holdings is available from the Office of the Treasurer

2007 private investment fund

Fund Facts at June 30, 2007

Investment Strategy/Goals: A long-term asset allocation with the goal of earning returns in excess of the public equity markets through investments in private equity companies.

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

Benchmark: Venture Economics All Private Equity Index.

Date of Inception: July 1, 1987

Total Net Assets: \$1,563,621,235

Number of Advisors: 53 external

Expensed Management Fees ⁽¹⁾: \$3,637,161

Operating Expenses: \$1,647,120

Expense Ratio: 0.36%

Capitalized and Netted Fees: \$22,888,554

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

Performance Summary

For the fiscal year ended June 30, 2007, the Private Investment Fund ("PIF") generated a one year 20.6% compounded annual rate of return which is also known as a Time Weighted Return ("TWR"). While the PIF's TWR under performed the Venture Economics All Private Equity time-weighted benchmark of 23.2%, several factors must be considered. First, the PIF is undergoing the "J curve" effect of new fund investments made over the last two fiscal years after a period on inactivity. Second, while short-term performance is assessed, the Fund has a long-term perspective in evaluating performance, in that it measures the returns over a 10-year time period. This long-term perspective reflects the illiquid nature of the Fund's underlying partnership holdings that require a meaningful length of time to progress through specific developmental periods. Third, the TWR metric is not the best way to measure private equity performance since it eliminates the effects created by the amounts and timing of cash inflows and outflows.

The institutional standard for measuring private equity performance is the Internal Rate of Return ("IRR"), which is a dollar-weighted return that considers both cash flows and time. For the fiscal year ended June 30, 2007, the Private Investment Fund ("PIF") generated a 9.0% Internal Rate of Return since its inception in 1987. Another performance measure which is used by major institutional investors is a customized dollar-weighted public U.S. equity market equivalent ("PME"). The PME serves as a proxy for the return the investor would have received had it invested in public equities versus private equity. From inception through June 30, 2007, the PIF has generated 580 basis points in excess of the PME and its Performance Objective.

Portfolio Activity

During fiscal 2007, the Private Investment Fund added \$690 million of new commitments to six private equity fund managers. Two of those managers are minority-owned; in aggregate these managers accounted for \$340 million of fiscal 2007's total commitments.

During fiscal year 2007, PIF's assets increased from \$1.359 billion to \$1.563 billion, an increase of \$204 million to participating pension plans and trusts. In reporting values for PIF, private market valuations are often imprecise. Accordingly, the PIF investment advisors typically adopt a valuation policy, carrying the investments at cost unless and until there is substantive evidence to change valuations. These determinations are made on an on-going basis independently by the investment advisors.

Private Equity Market Update

Capital continued to flow rapidly into venture and buyout funds. The increased capital has led to a rise in valuations and acquisition prices for private equity investors.

In the buyout segment, fundraising remained at a historically high level comparable to the amount of capital raised in 2006 and substantially higher than historic levels. On a global basis more than \$145 billion of capital dedicated to buyout strategies has been raised through the first half of 2007. This compares to the \$110 billion of capital raised in the first six months of 2006. As private equity investors have accumulated substantial capital, competition has increased and deal pricing has also expanded. According to S&P LCD, the average purchase price to EBITDA multiple rose to 9.2x for the first half of 2007, compared to 8.6x from 2006 and 6.0x in 2001. Friendly debt markets in the first half of 2007 have provided buyout investors with financing to continue their large acquisitions. According to S&P LCD, during the first half of 2007, the average debt to EBITDA ratio reached 6.3x, representing the fifth annual increase in the leverage ratio since the 2002 level of 4.0x. However, the subprime market turmoil during the summer of 2007 has spread, causing a pullback in the corporate credit market, resulting in delays in leveraged buyout financing, deal restructurings, and an estimated \$300 billion of debt financing overhang.

Among venture capital firms, more than \$14 billion was raised in the first half of 2007, a rate slightly below that of 2006. According to Dow Jones VentureOne, the median pre-money valuation for U.S. venture backed deals climbed to \$29 million for the first half of 2007, the highest level since 2000 and a 21% increase from the first half of 2006. Along with valuations, the number and value of exits have increased, but not to the level seen from 1996 to 2000. Between 1996 and 2000, approximately 200 venture-backed companies per year completed IPOs. In 2006, 53 venture-backed companies completed IPOs and, through the first half of 2007, 42 venture-backed companies have completed an IPO. Exit values have also increased over the first six months of 2007 when compared to same 2006 period. Specifically, M&A transaction values have risen 27% and IPO valuations have increased 67%.

Description of the Fund

The Private Investment Fund (PIF) is an externally managed fund whose strategic focus is divided among six specific areas: venture capital, corporate buyout, mezzanine, fund of funds, special situations, and international funds. The Private Investment Fund serves as a long-term investment tool for the Pension and Trust Funds, with the goal of earning returns in excess of the public equity markets through investments in private equity companies.

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

Portfolio Characteristics

The Private Investment Fund consists of private equity investments, which include six primary areas of strategic focus:

Buyout focused investments can be 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.

Fund of Funds investments are investment funds which may have multiple areas of strategic focus. These funds invest in a multiple of selected private equity partnerships that invest in underlying companies.

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

Mezzanine Debt focused investments can be 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 Situations focused investments can be defined as investments in a variety of securities (Debt, Preferred Equity, Common Equity) in portfolio companies at a variety of stages of development (Seed, Early Stage, Later Stage).

International Private Equity focused investments can be defined as investments in private equity or equity-like securities in companies located outside the continental United States. International Private Equity investments often offer more attractive return/risk characteristics as a result of the above average rates of growth available in select international economies.

Through June 30, 2007, the PIF had aggregate capital commitments in the amount of \$5.4 billion to 56 funds of which approximately 72 percent, or \$3.9 billion has been "drawn down" for investment purposes while the balance of approximately \$1.5 billion or 28 percent is committed but uninvested. (See Figure 8-6.)

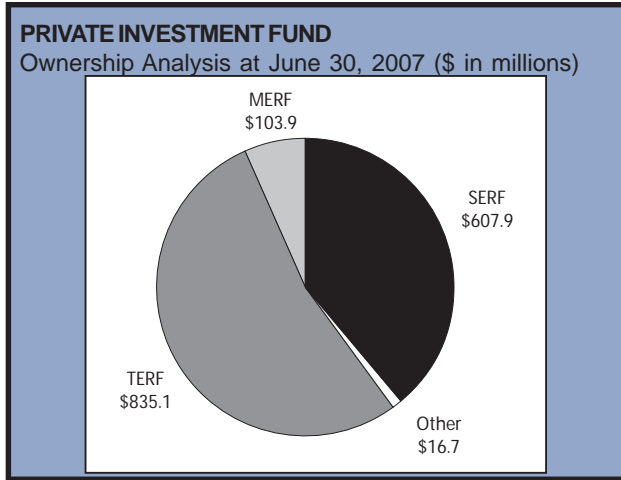
Risk Profile

Given PIF's investment policy and objectives, the Fund is exposed to several forms of risk. These include, but are not limited to, 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 Private Investment Fund to participate in the possibility of substantial long-term investment returns.

PIF's risk profile is complex given the valuation judgments and liquidity constraints placed on it due to its alternative investment strategy. PIF's volatility relative to its benchmark is .96 with a correlation .58 for the most recent fiscal year. The Fund has returned an annual alpha, or return relative to that predicted by its benchmark, of negative -5.85. (See Figure 8-2.)

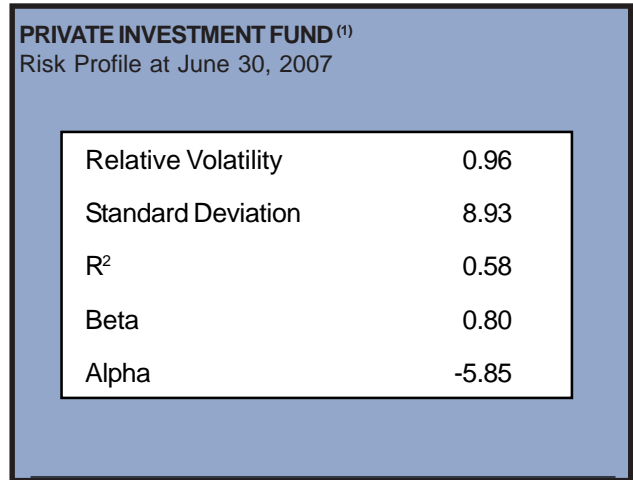
CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 8-1



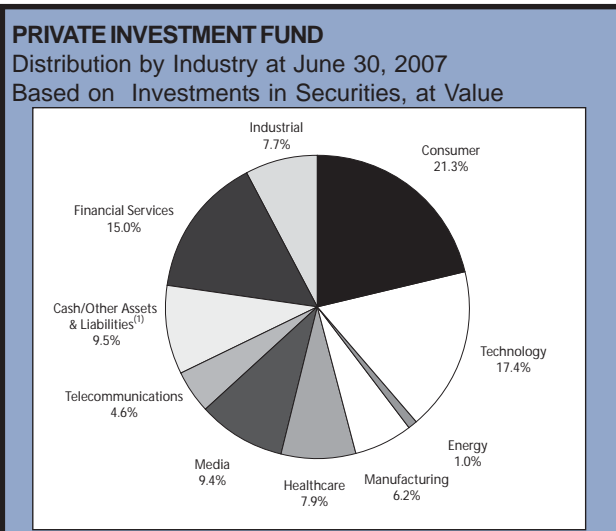
TERF - Teachers' Retirement Fund
SERF - State Employees Retirement Fund
MERF - Connecticut Municipal Employees' Retirement Fund

Figure 8-2



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

Figure 8-3



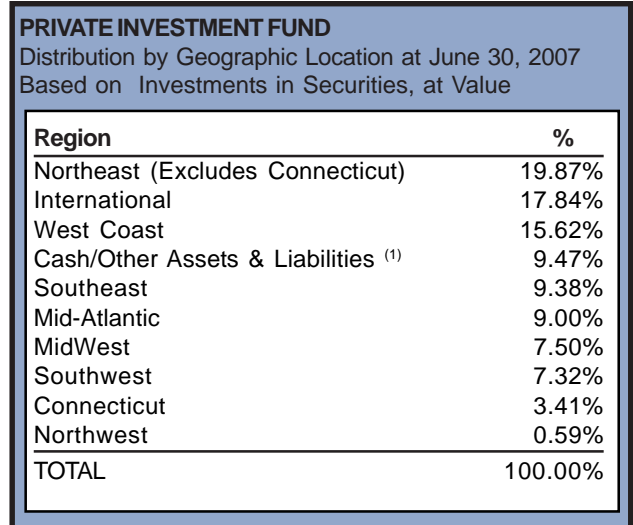
(1) Includes Cash Reserve Account and cash and other assets at the partnership level.

Figure 8-5

PRIVATE INVESTMENT FUND
Periods ending June 30, 2007

	1 YR	3 YRS	5 YRS	10 YRS
Compounded, Annual Total Return (%)				
PIF	19.56	13.23	8.67	8.52
S & P 500	20.59	11.68	10.71	7.13
Venture Economics				
All Private Equity	23.17	22.05	14.52	15.80
Cumulative Total Return (%)				
PIF	19.56	45.18	51.56	126.42
S & P 500	20.59	39.28	66.31	99.05
Venture Economics				
All Private Equity	23.17	81.79	96.99	333.46

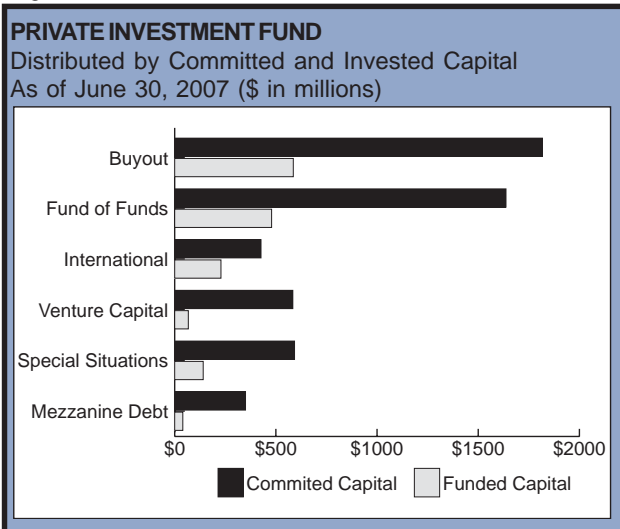
Figure 8-4



(1) Includes the Cash Reserve Account and cash and other assets at the partnership level.

(2) Unclassified represents fund of funds investments where region information could not be obtained.

Figure 8-6



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 8-7

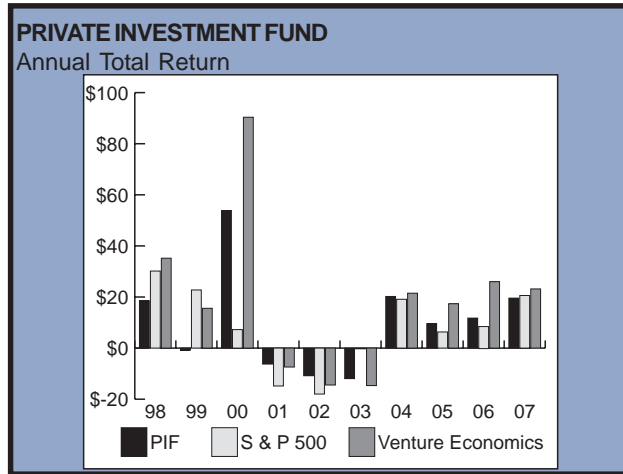


Figure 8-8

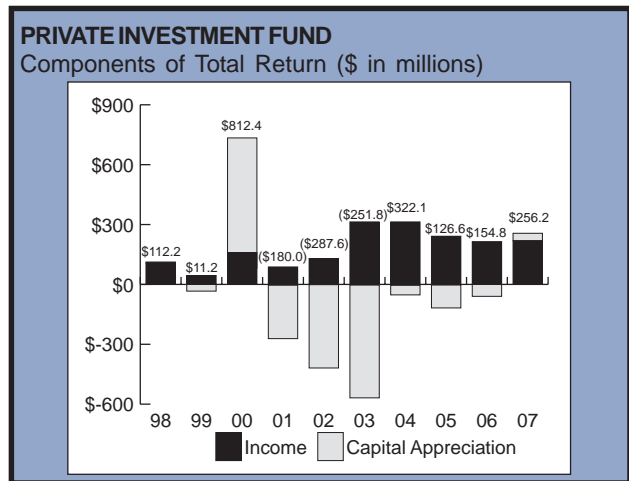


Figure 8-9

PRIVATE INVESTMENT FUND
Ten Largest Holdings* at June 30, 2007

Partnership Name	Partnership Type	Market	
		Value	%
Constitution Liquidating Fund	Fund of Funds	\$253,068,112	16.26%
KKR Millennium Fund	Buyout	109,499,590	7.03%
Compass Partners European Equity Fund	International	88,634,198	5.69%
Charterhouse Equity Partners IV	Buyout	62,369,264	4.01%
Wellspring Capital Partners III	Buyout	54,996,462	3.53%
Welsh Carson Anderson & Stowe X L.P.	Buyout	51,218,843	3.29%
FS Capital Partners V	Buyout	49,219,971	3.16%
Landmark Private Equity Fund VIII	Fund of Funds	47,977,622	3.08%
Parish Capital II	Fund of Funds	46,136,618	2.97%
Fairview Constitution II	Fund of Funds	43,612,194	2.80%
Top Ten		\$806,732,874	51.82%

* A complete list of portfolio holdings is available from the Office of the Treasurer.

Figure 8-10

PRIVATE INVESTMENT FUND
New Investments Made in Fiscal Year 2007⁽¹⁾ (in Excess of \$3 Million)

Partnership Name	Commitment Amount	Partnership Type	Inv. Date
Ethos Private Equity Fund V	\$50 million	Buyout	August 8, 2006
Nogales Investors Fund II	\$40 million	Buyout	October 12, 2006
Court Square Capital Partners II	\$100 million	Buyout	December 28, 2006
KKR 2006	\$125 million	Buyout	May 1, 2007
Boston Ventures VII	\$75 million	Buyout	May 16, 2007
Fairview Constitution Fund III	<u>\$300 million</u>	Fund of Funds	June 27, 2007
Total:	\$690 million		

(1) These represent new private equity partnerships that were invested in by the Fund during fiscal year 2007.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

Figure 8-11

PRIVATE INVESTMENT FUND

Investment Advisors at June 30, 2007

Investment Advisor	Net Asset Value	% of Fund
Buyout	\$608,418,435	38.91%
KKR Millennium Fund	109,499,590	7.00%
Hicks, Muse Tate & Furst Equity Fund III	35,339,653	2.26%
Thomas H. Lee Equity Fund IV	11,127,520	0.71%
Welsh Carson Anderson & Stowe VIII	32,182,033	2.06%
Wellspring Capital Partners III	54,996,462	3.52%
SCP Private Equity Partners	17,591,828	1.13%
Charterhouse Equity Partners IV	62,369,264	3.99%
Forstmann Little Equity Fund VI	14,593,397	0.93%
DLJ Merchant Banking Fund II	21,661,047	1.39%
KKR 1996 Fund	14,619,101	0.93%
FS Equity Partners V	49,219,971	3.15%
Blackstone Capital Partners III	9,832,835	0.63%
Thayer Equity Investors IV	17,635,855	1.13%
Kelso Investment Associates VI	12,831,278	0.82%
Green Equity Investors III	6,323,758	0.40%
Wellspring Capital Partners II	2,240,444	0.14%
Veritas Capital Fund	1,163,439	0.07%
AIG Healthcare Partners LP	25,934,315	1.66%
Welsh Carson Anderson & Stowe X LP	51,218,843	3.28%
Court Square Capital Partners II	22,915,271	1.47%
Ethos Private Equity Fund V	10,492,558	0.67%
Boston Ventures V	17,079,055	1.09%
KKR 2006 Fund LP	2,724,000	0.17%
Nogales Investors Fund II	238,672	0.02%
ICV Partners II LP	4,588,246	0.29%
Venture Capital	55,193,662	3.53%
RFE Investment Partners VI	9,393,325	0.60%
Conning Capital Partners V	6,412,061	0.41%
Crescendo World Fund	17,036,298	1.09%
Grotech Partners V	11,531,153	0.74%
Shawmut Equity Partners	6,935,832	0.44%
Crescendo III	2,049,306	0.13%
Syndicated Communications Venture Partners V	1,735,475	0.11%
Connecticut Futures Fund	100,212	0.01%
Mezzanine	37,975,412	2.43%
SW Pelham Fund	4,844,423	0.31%
GarMark Partners	8,315,897	0.53%
GarMark Partners II LP	11,851,616	0.76%
SW Pelham Fund II	12,963,476	0.83%
International	196,821,348	12.59%
Compass Partners European Equity Fund	88,634,198	5.67%
Gilbert Global Equity Partners	33,372,630	2.13%
Carlyle Europe Partners	26,460,227	1.69%
AIG Global Emerging Markets Fund	23,547,052	1.51%
Carlyle Asia Partners	24,807,241	1.59%
Fund of Funds	439,703,626	28.12%
The Constitution Liquidating Fund	253,068,112	16.18%
Landmark Private Equity Fund VIII	47,977,622	3.07%
Goldman Sachs Private Equity Partners Connecticut	19,067,645	1.22%
Lexington Capital Partners II	8,608,860	0.55%
Parish Capital I LP	21,232,575	1.36%
Parish Capital Buyout Fund II	46,136,618	2.95%
Fairview Constitution II LP	43,612,194	2.79%
Special Situations	71,165,095	4.55%
Welsh Carson Anderson & Stowe Capital Partners III	41,869,277	2.68%
Greenwich Street Capital Partners II	10,027,412	0.64%
Forstmann Little MBO VII	10,073,222	0.64%
KPS Special Situations Fund II	9,195,184	0.59%
Other ⁽¹⁾	154,343,657	9.87%
TOTAL PIF	\$1,563,621,235	100.00%

(1) Other represents moneys earmarked for distribution to participants, reinvestment, and expenses as well as terminated advisor balances, Currency Overlay Managers (Bank of New York and Bridgewater), CT Financial Development Fund, Keystone Venture V Partnerships and GarMark Partners II LP.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ADVISORS AND FEES IN EXCESS OF \$5,000⁽¹⁾
FOR PERIODS ENDED JUNE 30

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2007	2006	2005	2004	2003
INVESTMENT ADVISORY SERVICES						
Equity Advisory Services						
AXA Rosenberg Institutional Equity Mgmt	Equity Advisor	3,258,030	3,496,797	507,722	398,339	4,415,980
Barclay's Global Investors	Equity Advisor	19,330,302	17,556,658	3,332,554	12,202,021	3,660,715
Bivium Capital Partners, LLC	Equity Advisor	1,264,146	761,024	-	-	-
Brown Capital Management	Equity Advisor	163,926	211,591	354,120	310,488	3,570,359
Capital Prospects LLC	Equity Advisor	747,721	361,850	-	-	-
FIS Group Inc.	Equity Advisor	754,413	407,648	-	-	-
J. P. Morgan Investment Management	Equity Advisor	-	-	-	-	495,062
State Street Global Advisors	Equity Advisor	273,897	216,988	274,667	224,895	180,278
Thomas Weisel Partners (ValueQuest)	Equity Advisor	-	-	-	192,152	1,843,059
Travelers Investment Management	Equity Advisor	-	306,075	421,843	451,208	1,954,445
Trust Company of the West (Cowen)	Equity Advisor	1,178,375	1,011,678	2,078,780	713,510	2,811,532
Total Equity Advisor Compensation		\$26,934,810	\$24,330,309	\$6,969,686	\$14,492,613	\$18,931,430
Fixed Income Investment Advisory Services						
Blackrock Financial Management	Fixed Income Advisor	1,498,458	1,519,240	1,525,126	1,551,082	1,564,472
Bridgewater Associates	Fixed Income Advisor	568,577	-	-	-	-
Brown Brothers Harriman & Co.	Fixed Income Advisor	186,107	154,386	-	-	-
Hartford Investment Management Co.	Fixed Income Advisor	103,466	85,799	-	-	-
J. P. Morgan Investment Management	Fixed Income Advisor	-	-	-	-	1,040,985
Loomis Sayles & Co., Inc.	Fixed Income Advisor	763,360	523,406	504,850	442,948	349,996
Oaktree Capital Management	Fixed Income Advisor	716,556	445,258	563,305	436,777	3,972,291
Phoenix Investment Counsel	Fixed Income Advisor	555,070	544,902	550,966	555,554	548,544
Progress Investment Management	Fixed Income Advisor	529,293	340,907	-	-	-
State Street Global Advisors	Fixed Income Advisor	318,064	309,376	526,875	558,591	595,189
W. R. Huff Asset Management	Fixed Income Advisor	1,360,812	319,873	2,216,156	1,930,812	220,244
Wellington Asset Management	Fixed Income Advisor	978,643	1,007,301	1,026,168	1,044,851	1,020,074
Western Asset Management	Fixed Income Advisor	1,229,034	1,235,635	1,207,359	1,439,163	1,394,515
Total Fixed Income Advisor Compensation		\$8,807,440	\$6,486,083	\$8,120,805	\$7,959,778	\$10,706,310
Cash Reserve Account Advisory Services						
State Street Global Advisors	Cash Rsrv Acct Advisor	273,564	277,189	377,018	343,500	337,930
Total Cash Reserve Account Advisor Compensation		\$273,564	\$277,189	\$377,018	\$343,500	\$337,930
International Equity Investment Advisory Services						
AQR Capital Management, LLC	Intrntl Equity Advisor	543,524	-	-	-	-
Acadian Asset Management	Intrntl Equity Advisor	481,894	-	-	-	-
Bank of New York	Intrntl Equity Advisor	2,633,092	2,367,488	2,244,689	-	-
Bridgewater Associates	Intrntl Equity Advisor	3,159,711	2,840,985	2,700,635	-	-
Clay Finlay Inc.	Intrntl Equity Advisor	1,231,976	1,109,359	1,122,788	672,644	-
DSI International Management	Intrntl Equity Advisor	-	-	-	171,369	387,630
Emerging Markets Management LLC	Intrntl Equity Advisor	3,404,431	2,876,360	4,384,291	-	-
Fidelity Management Trust Company	Intrntl Equity Advisor	1,274,755	1,106,184	1,005,966	596,400	-
Grantham, Mayo, Van Otterloo & Co.	Intrntl Equity Advisor	6,746,594	5,471,090	7,316,598	4,660,885	5,272,027
Invesco Global Asset Management	Intrntl Equity Advisor	1,935,871	1,788,745	1,442,317	792,995	-
Julius Baer Asset Management	Intrntl Equity Advisor	315,222	-	-	-	-
Merrill Lynch Investment Managers	Intrntl Equity Advisor	1,223,614	1,380,677	656,758	224,242	-
MFS Institutional Advisors	Intrntl Equity Advisor	1,064,812	844,424	758,685	429,571	-
Morgan Stanely Asset Management	Intrntl Equity Advisor	1,321,446	2,700,870	2,989,704	6,208,561	7,934,234
Pictet International Management	Intrntl Equity Advisor	-	-	-	1,033,413	399,250
Progress Investment Management	Intrntl Equity Advisor	467,163	245,073	-	-	-
Putnam Advisory Company LLC	Intrntl Equity Advisor	-	-	1,609,355	-	-
Salomon Smith Barney Capital Mgmt	Intrntl Equity Advisor	-	-	28,554	27,331	139,644
Schroder Investment Management	Intrntl Equity Advisor	1,709,124	1,415,160	1,169,099	498,259	-
State Street Global Advisors	Intrntl Equity Advisor	485,705	420,498	578,814	377,112	389,283
Total International Equity Advisor Compensation		\$27,998,934	\$24,566,913	\$28,008,253	\$15,692,782	\$14,522,068

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF INVESTMENT ADVISORS AND FEES IN EXCESS OF \$5,000⁽¹⁾
FOR PERIODS ENDED JUNE 30 (Continued)**

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2007	2006	2005	2004	2003
Real Estate Investment Advisory Services ⁽²⁾						
AEW Capital Management, L.P.	Real Estate Advisor	135,000	319,561	407,468	128,528	128,528
AEW Capital Management	Real Estate Advisor	272,045	-	-	-	-
AEW Partners III, LP	Real Estate Advisor	205,033	255,775	528,241	687,887	841,315
Apollo Real Estate Investment Fund III	Real Estate Advisor	314,799	437,899	396,081	813,195	915,423
Canyon Johnson Urban Fund II, LP	Real Estate Advisor	937,500	921,875	368,947	-	-
Capri Select Income II LLC	Real Estate Advisor	-	177,143	-	-	-
CIGNA/TimeSquare Real Estate Investors	Real Estate Advisor	-	-	-	6,841	11,921
Urban Strategy America Fund	Real Estate Advisor	251,546	-	-	-	-
RLJ Urban Lodging Fund, LP	Real Estate Advisor	312,500	312,500	216,542	-	-
RLJ Urban Lodging Fund II, LP	Real Estate Advisor	722,603	-	-	-	-
RMK Timberland Group (Wachovia)	Real Estate Advisor	-	112,065	155,971	126,874	161,884
Rockwood Capital Partners VII	Real Estate Advisor	381,075	-	-	-	-
Westport Senior Living Fund	Real Estate Advisor	-	789,347	1,518,199	1,800,000	1,800,000
Total Real Estate Advisor Compensation		\$3,532,101	\$3,326,165	\$3,591,499	\$3,563,325	\$3,859,071
Commercial Mortgage Investment Advisory Services ⁽²⁾						
AEW Capital Management, L.P.	Comm Mortgage Advisor	100,083	183,500	249,911	327,489	417,400
Total Commercial Mortgage Advisor Compensation		\$100,083	\$183,500	\$249,911	\$327,489	\$417,400
Private Investment Advisory Services ⁽²⁾						
AIG Global Emerging Mkts Fund LP	Private Inv Advisor	658,764	815,309	523,153	1,502,251	1,876,712
AIG Altaris Health Partners, LP	Private Inv Advisor	761,202	764,402	1,983,602	-	-
Blackstone Capital Partners III LP	Private Inv Advisor	52,275	27,471	31,811	-	111,459
Boston Venture Capital Partners VII, LP	Private Inv Advisor	1,178,501	-	-	-	-
Carlyle Asia Partners LP	Private Inv Advisor	120,806	252,787	692,812	500,000	1,500,000
Carlyle European Partners LP	Private Inv Advisor	165,746	300,610	975,548	1,400,977	1,523,965
Charterhouse Equity Partners IV, LP	Private Inv Advisor	1,263,500	1,055,527	2,462,032	-	-
Compass European Partners LP	Private Inv Advisor	-	-	891,750	1,125,000	2,664,509
Constitution Liquidating Fund LP (Crossroads)	Private Inv Advisor	838,736	746,703	225,000	-	-
Courthouse Square Capital Partners	Private Inv Advisor	1,255,539	-	-	-	-
CT Greene Ventures LP	Private Inv Advisor	-	-	-	-	5,500
DLJ Merchant Banking Fund II LP	Private Inv Advisor	330,288	83,355	10,991	395,351	709,948
Ethos Capital Fund V, LP	Private Inv Advisor	1,307,329	-	-	-	-
Fairview Constitution II, LP	Private Inv Advisor	1,600,000	800,000	967,955	-	-
Forstmann Little & Company	Private Inv Advisor	182,868	186,838	297,324	481,605	410,644
FS Equity Partners V LP	Private Inv Advisor	895,172	562,500	802,678	1,291,089	-
Garmark Partners LP	Private Inv Advisor	57,487	1,008,239	302,879	402,430	977,298
Garmark Partners, II LP	Private Inv Advisor	735,085	88,608	-	-	-
Gilbert Global Equity Partners LP	Private Inv Advisor	222,718	-	449,952	2,250,000	2,250,000
Goldman Sachs Private Equity Fund LP	Private Inv Advisor	358,382	315,324	385,329	496,208	552,972
Green Equity III LP	Private Inv Advisor	90,314	-	81,831	180,504	204,303
Greenwich Street Capital Partners II LP	Private Inv Advisor	354,628	220,310	911,216	549,246	783,424
ICV Associates II LP	Private Inv Advisor	356,364	1,140,602	-	-	-
Kelso Investment Associates VI LP	Private Inv Advisor	-	-	-	465,856	623,856
KKR 1996 Fund LP	Private Inv Advisor	10,433	-	-	-	-
KKR Millenium Fund LP	Private Inv Advisor	-	126,005	219,643	1,128,044	1,202,159
KPS Special Situations Fund II LP	Private Inv Advisor	-	388,971	834,979	694,499	-
Nogales Investors II, LP	Private Inv Advisor	668,203	-	-	-	-
Parish Capital I, LP	Private Inv Advisor	322,441	470,791	722,396	-	-
Parish Capital II, LP	Private Inv Advisor	1,260,562	-	-	-	-
Pioneer Venture Associates LP	Private Inv Advisor	-	220,000	-	334,987	494,888
SCP Private Equity Fund LP	Private Inv Advisor	-	-	-	460,495	912,661
Shawmut Capital Partners LP	Private Inv Advisor	-	-	656,250	622,882	1,640,625
SW Pelham Fund, LP	Private Inv Advisor	207,936	195,511	320,404	206,529	150,000
SW Pelham Fund II, LP	Private Inv Advisor	288,569	-	-	-	-
Sycom Partners V, LP	Private Inv Advisor	386,655	-	-	-	-
Thayer Equity Investors IV LP	Private Inv Advisor	137,579	457,716	609,654	682,284	898,189
THE Equity Advisors IV LLC	Private Inv Advisor	121,716	57,163	284,515	127,927	278,114

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ADVISORS AND FEES IN EXCESS OF \$5,000⁽¹⁾
FOR PERIODS ENDED JUNE 30 (Continued)

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2007	2006	2005	2004	2003
Triumph Connecticut LP	Private Inv Advisor	-	-	-	-	191,212
Triumph Partners III LP	Private Inv Advisor	-	-	-	1,005,993	576,721
Veritas Capital Fund LP	Private Inv Advisor	-	-	-	-	819,982
Washington and Congress (Triumph Partners III)	Private Inv Advisor	-	-	-	342,501	-
WCAS X LP	Private Inv Advisor	-	521,918	-	-	-
Wellspring Capital Partners II LP	Private Inv Advisor	-	-	-	-	693,423
Wellspring Capital Partners III LP	Private Inv Advisor	-	1,496,936	1,200,595	1,191,570	1,000,000
Total Private Investment Advisor Compensation		\$16,189,798	\$12,303,596	\$16,844,299	\$17,838,228	\$23,052,564
TOTAL COMPENSATION TO INVESTMENT ADVISORS		\$83,836,730	\$71,473,755	\$64,161,421	\$60,217,715	\$71,826,773
CUSTODY SERVICES						
State Street Bank & Trust	Custody of Assets	\$114,500	1,046,595	1,722,997	1,644,976	584,990
TOTAL CUSTODY SERVICES COMPENSATION		\$114,500	\$1,046,595	\$1,722,997	\$1,644,976	\$584,990

(1) Expenses are presented on a cash basis.

(2) Alternative Investment Management fees for the Private Investment Fund and the Real Estate Fund include capitalized fees and expensed fees. Capitalized fees are part of the cost of the investment and become a component of unrealized gain (loss). Capitalized fees are disclosed in Note 1 of the Combined Investment Funds Financial Statements. Expensed fees which are not part of the cost of the investment are recorded in the Statement of Operations. Not Included in the above amounts are those amounts that are netted. Netted amounts include credits and fees paid out of cash on hand at the partnership level. Netted amounts are disclosed in Note 1 of the Combined Investment Funds Financial Statements.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
ABEL NOSER CORPORATION	\$ 7,440.00	186,000.00	0.04	CARNEGIE INT'L LND	1,711.67	38,354.00	0.04
A.G. EDWARDS TRUST COMPANY	846.00	30,101.00	0.03	CARNEGIE SECURITIES FINLAND	999.46	31,300.00	0.03
ABEL NOSER CORPORATION	10,478.00	265,500.00	0.04	CATHAY FINANCIAL CORP	188.14	7,526.00	0.02
ABG SECURITIES	36,546.88	2,317,465.00	0.02	CAZENOVE + CO	53,660.57	3,072,147.00	0.02
ABG SECURITIES INC	892.94	11,969.00	0.07	CHAPDELAINE INSTITUTIONAL	730.00	14,600.00	0.05
ABG SUNDAL COLLIER NORGE ASA	727.48	68,411.00	0.01	CHARLES SCHWAB CO INC	18.90	630.00	0.03
ABM AMRO HOARE GOVETT ASIA LTD, SEOUL	5,298.79	250,105.00	0.02	CHARLES STANLEY AND CO LTD	339.21	30,600.00	0.01
ABN AMRO BANK N. V. HONG KONG	106,102.89	3,560,805.00	0.03	CHEUVREUXDE VIRIEU	45,946.93	626,757.00	0.07
ABN AMRO BANK NV	72,384.08	9,074,174.00	0.01	CHINA INTRTNL CAP CORP HK SECS LTD	6,259.79	3,760,000.00	0.00
ABN AMRO BANK NV HONG KONG BRANCH	14,768.93	19,066,130.00	0.00	CIBC WORLD MARKETS CORP	58,349.41	3,062,713.00	0.02
ABN AMRO EQUITIES AUSTRALIA LTD.	4,155.28	922,475.00	0.00	CITATION GROUP	5,979.50	190,850.00	0.03
ABN AMRO SECURITIES (USA) INC	64,522.16	2,827,271.00	0.02	CITIBANK N.A. ISTANBUL	15,169.70	999,773.00	0.02
ABN AMRO SECURITIES LLC	1,026.41	27,682.00	0.04	CITIBANK N.A. MILAN	6.59	200.00	0.03
ACCESS SECURITIES INC	3,924.60	130,820.00	0.03	CITIGROUPGLOBAL MARKETS	510.09	12,000.00	0.04
ACCIONES Y VALORES DE MEXICO	1,252.16	73,700.00	0.02	CITIGROUPGLOBAL MARKETS AUSTRALIA PTR	1,763.70	91,600.00	0.02
ACTINVER SECURITIES	8,490.35	855,900.00	0.01	CITIGROUPGLOBAL MARKETS INC	678,205.09	67,343,470.00	0.01
ADP CLEARING + OUTSOURCING SERVICES, INC	9,087.06	3,222,973.00	0.00	CITIGROUPGLOBAL MARKETS LIMITED	154,809.19	18,457,055.00	0.01
ADP COSI/SANTANDER	4,901.60	122,540.00	0.04	CITIGROUPGLOBAL MARKETS SINGAPORE SECUR	203.96	50,000.00	0.00
ALFA CAPITAL	616.00	15,400.00	0.04	CITIGROUPGLOBAL MARKETS UK EQUITY LTD	34,506.04	3,933,900.00	0.01
ALFA CAPITAL MARKETS (USA), INC.	144.00	3,600.00	0.04	CJS SECURITIES	215.00	4,300.00	0.05
ALTUM CAPITAL LTD	622.72	20,000.00	0.03	CJSC DEPOSITORY CLEARING CO	138.50	2,770.00	0.05
ASEAMBANKERS MALAYSIA BERHAD	234.20	83,006.00	0.00	CLS SECURITIES MALAYSIA SDN BHD	12,894.50	2,227,091.00	0.01
ASSET TRANSFER AT MARKET	72.00	1,800.00	0.04	COBURN + MEREDITH, INC(CLR. THRU 443)	948.00	23,700.00	0.04
ATA SECURITIES INC. (ISTANBUL)	20,809.76	1,940,112.00	0.01	COLLINS STEWART + CO	25,675.91	2,148,600.00	0.01
ATON SECURITIES	3,070.80	346,206.00	0.01	COMMERCE INTL MERCHANT BANKERS	2,237.69	638,800.00	0.00
ATR KIM ENG SECURITIES, INC	2,002.53	11,600.00	0.17	COMMERZBANK AG	2,162.03	27,649.00	0.08
AUERBACH GRAYSON	1,088.00	27,200.00	0.04	COWEN + CO., LLC	36,616.96	1,056,335.00	0.03
AUTOMATEDTRADING DESK FINANCIAL SERVICE	532.62	53,262.00	0.01	COWEN + COMPANY LLC	15,407.41	597,821.00	0.03
AVONDALE PARTNERS LLC	5,698.15	133,783.00	0.04	COWEN ANDCOMPANY, LLC	26,146.88	888,498.00	0.03
BAIRD, ROBERT W., & COMPANY INCORPORATED	6,872.32	145,285.00	0.05	CRAIG - HALLUM	1,216.85	24,420.00	0.05
BANC/AMERICA SECUR.LLC MONTGOMEY DIV	191,893.90	3,722,966,390.71	0.00	CREDIT AGRICOLE INDOSUEZ	2,542.71	42,600.00	0.06
BANCO BILBAO VIZCAYA ARGENTARI	9,308.00	574,354.00	0.02	CREDIT AGRICOLE INDOSUEZ CHEUVREUX	28,711.82	675,951.00	0.04
BANCO ITAU SA	35,834.29	118,187,848.00	0.00	CREDIT LYONNAIS SECS	542.22	355,811.00	0.00
BANCO PACTUAL S.A.	21,369.40	183,898,767.00	0.00	CREDIT LYONNAIS SECURITIES	20,461.58	3,981,634.00	0.01
BANCO SANTANDER CENTRAL HISPANO	86,121.62	81,064,762.00	0.00	CREDIT LYONNAIS SECURITIES (USA) INC	154,762.64	31,063,806.00	0.00
BANCO SANTANDER DE NEGOCIOS	28,108.50	2,971,292.00	0.01	CREDIT LYONNAIS SECURITIES ASIA/GUERNSEY	87,594.30	13,080,201.00	0.01
BANK AUSTRIA CREDITANSTALT AG	8,099.57	58,000.00	0.14	CREDIT LYONNAIS SECURITIES(ASIA)	19,760.50	2,154,373.00	0.01
BANK J.VONTOBEL UND CO. AG	170.54	1,866.00	0.09	CREDIT SUISSE FIRST BOSTON	2,910.00	1,422,100.00	0.00
BANK OF NEW YORK BRUSSELS	417.39	5,179.00	0.08	CREDIT SUISSE FIRST BOSTON (EUROPE)	13,297.77	164,608.00	0.08
BANK POLSKA KASA OPIEKI SA	2,788.30	98,990.00	0.03	CREDIT SUISSE FIRST BOSTON (EUROPE) LTD	67,456.68	3,764,025.00	0.02
BANK SAL.OPPENHEIM JR. AND CIE.	1,136.69	4,623.00	0.25	CREDIT SUISSE FIRST BOSTON SA CTVM	6,700.73	108,800.00	0.06
BANK SARASIN AND CIE. BASLE	2,281.86	5,058.00	0.45	CREDIT SUISSE SECURITIES (EUROPE) LTD	24,417.40	1,636,266.00	0.01
BANQUE NATIONAL DE PARIS	116.00	202,900.00	0.00	CREDIT SUISSE SECURITIES (USA) LLC	665,933.70	3,127,574,677.03	0.00
BANQUE NATIONAL DE PARIS HONG KONG	17,249.29	16,478,934.00	0.00	CS FIRST BOSTON (HONG KONG) LIMITED	3,708.43	943,764.00	0.00
BARNARD JACOBS MELLETS NY	13,393.18	353,228.00	0.04	CSFB AUSTRALIA EQUITIES LTD	12,650.85	448,106.00	0.03
BARNARD JACOBS MELLETT AND CO (PTY)	2,131.14	145,724.00	0.01	CUSTOM EQUITY RESEARCH, INC.	3,376.65	124,105.00	0.03
BARRINGTON RESEARCH ASSOCIATES INC.	234.70	5,215.00	0.05	D CARNEGIE AG	7,299.31	316,563.00	0.02
BASKENT SECURITIES IBC	747.64	35,800.00	0.02	DAEWOO SECS CO LTD, SEOUL KOREA	4,620.37	118,502.00	0.04
BAYPOINT TRADING LLC	2,003.39	79,628.00	0.03	DAIWA SECURITIES (HK) LTD.	1,202.89	76,000.00	0.02
BEAR STEARNS + CO INC	72,681.89	391,316,832.63	0.00	DAIWA SECURITIES AMERICA INC	25,270.32	750,202.00	0.03
BEAR STEARNS SECURITIES CORP	223,291.12	723,175,944.98	0.00	DAVIDSON D.A. + COMPANY INC.	977.95	21,637.00	0.05
BENITO Y MONJARDIN, S.A. S.V.B.	72.40	800.00	0.09	DAVIS, MENDEL AND REGENSTEIN	435.00	8,700.00	0.05
BEREAN CAPITAL, INC. 2	9,252.67	328,144.00	0.03	DAVY (J+E)	21,471.74	347,000.00	0.06
BLEY INVESTMENT GROUP	2,963.05	59,261.00	0.05	DBS VICKERS (HONG KONG) LIMITED	7,566.97	2,186,000.00	0.00
BNP PARIBAS PEREGRINE SECS PT	489.07	119,000.00	0.00	DBS VICKERS SECS PTE LTD	213.81	19,100.00	0.01
BNP PARIBAS PEREGRINE SECURITIES	29,836.69	15,955,366.00	0.00	DBS VICKERS SECURITIES (SINGAPORE)	438.57	39,300.00	0.01
BNP PARIBAS SA	631.88	4,253,557.00	0.00	DBS VICKERS SECURITIES SING	64.25	5,600.00	0.01
BNP PARIBAS SEC JAPAN LTD	228.47	105,312.00	0.00	DEAGROATT+ CAMPBELL SDN BHD	24,314.26	4,699,900.00	0.01
BNP PARIBAS SECURITIES SERVICES	1,847.42	63,311.00	0.03	DEN DANSKE BANK	1,384.39	10,368.00	0.13
BNY BROKERAGE INC	113,671.85	3,706,544.00	0.03	DENIZ YATIRIM MENKUL DEGERLER A.S.	58.96	10,990.00	0.01
BNY BROKERAGE.	8,569.83	440,964.00	0.02	DEUTSCHE BANK AG JAKARTA	62.71	27,500.00	0.00
BOE SECURITIES INC/BROADCORT CAP CORP	541.72	13,543.00	0.04	DEUTSCHE BANK AG LONDON	67,817.58	99,557,946.00	0.00
BOE STOCKBROKERS (PTY) LTD	5,744.10	229,554.00	0.03	DEUTSCHE BANK AG NEW YORK	1,338.00	108,949.00	0.01
BREAN MURRAY	365.07	7,638.00	0.05	DEUTSCHE BANK ALEX BROWN	70.00	1,400.00	0.05
BREWIN DOLPHIN BELL LAWRIE LIMITED	3,335.58	75,000.00	0.04	DEUTSCHE BANK SECURITIES INC	524,882.18	2,841,517,650.00	0.00
BRIDGELL SECURITIES LIMITED	1,113.02	39,550.00	0.03	DEUTSCHE BANK SINGAPORE	136.80	40,000.00	0.00
BROADCORT CAPITAL (THRU ML)	4,917.33	116,030.00	0.04	DEUTSCHE BOERSE	466.72	3,800.00	0.12
BROCKHOUSE + COOPER INC MONTREAL	11,553.10	1,745,454.00	0.01	DEUTSCHE MORGAN GRENPELL SECS	8,517.31	183,400.00	0.05
BROWN BROTHERS HARRIMAN + CO	12.50	500.00	0.03	DEUTSCHE SECURITIES ASIA LIMITED	17,234.29	8,417,560.00	0.00
B-TRADE SERVICES LLC	32,998.23	850,109.00	0.04	DEUTSCHE SECURITIES ASIA LTD	6,070.22	46,016.00	0.13
BUCKINGHAM RESEARCH GROUP	13,983.00	338,025.00	0.04	DIRECT TRADING INSTITUTIONAL INC	20,862.20	1,387,619.00	0.02
C.E. INTERBERG TOWBIN	554.01	11,858.00	0.05	DIVIDEND REINVEST	6,310.06	987,062.79	0.01
CA IB INVESTMENTBANK AG	3,237.93	19,577.00	0.17	DIVINE CAPITAL MARKETS LLC	8,177.68	259,968.00	0.03
CABRERA CAPITAL MARKETS	5,481.95	336,844.00	0.02	DONALDSONLUFKIN + JENRETTE SEC CORP	166.95	3,710.00	0.05
CAISSE DES DEPOTS ET CONSIGNAT	21,462.36	146,420.00	0.15	DONGWON SECURITIES	5,779.12	104,534.00	0.06
CALYON SECURITIES (USA) INC	4,626.00	154,200.00	0.03	DOUGHERTYCOMPANY	415.47	8,672.00	0.05
CANACCORDADAMS INC.	8,052.37	188,413.00	0.04	DRESDNER BANK AG NEW YORK	884.01	26,141.00	0.03
CANACCORDCAPITAL CORP	105.62	3,000.00	0.04	DRESDNER KLEINWORT BENSON NORTH AMERICA	9,981.24	406,200.00	0.02
CANTOR FITZ EUR 2	11,754.48	819,576.00	0.01	DRESDNER KLEINWORTH WASSERSTEIN SEC LLC	5,569.96	301,790.00	0.02
CANTOR FITZGERALD + CO.	229,104.60	1,862,062,375.20	0.00	DUNDAS UNLU SECURITIES INC.	18,764.41	1,707,425.00	0.01
CANTOR FITZGERALD/EUROPE	175.30	8,800.00	0.02	DUPONT GILBERT SA	1,502.53	20,753.00	0.07
CAPEL CURE SHARP LTD.	2,156.05	287,297.00	0.01	E TRADE SECURITIES LIMITED	44.16	1,000.00	0.04
CAPITAL INSTITUTIONAL SVCS INC EQUITIES	26,228.35	788,845.00	0.03	E TRADE SECURITIES, INC	2,214.19	73,970.00	0.03
CARNEGIE A S	1,799.16	97,800.00	0.02	EDGETRADE, INC.	1.87	250.00	0.01
CARNEGIE BK	6,679.71	172,218.00	0.04	EDWARDS AG SONS INC	7,773.03	159,037.00	0.05
CARNEGIE FONDKOMMISSION	4,793.02	41,157.00	0.12	ENSKILDA SECURITIES AB	7,246.28	211,453.00	0.03

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
ERSTE BANK DER OESTERREICHISCHEN	1,009.32	21,336.00	0.05	JONESTRADING INSTITUTIONAL SERVICES LLC	50,660.64	1,835,104.00	0.03
ESN NORTHAMERICA, INC.	247.94	4,470.00	0.06	JP MORGANSECURITIES AUSTRALIA LTD	2,016.71	559,029.00	0.00
EUROMOBILIARE SIM S.P.A.	1,427.97	62,041.00	0.02	JP MORGANSECURITIES LIMITED	334,499.54	39,870,893.00	0.01
EVOLUTIONBEESON GREGORY LIMITED	136.07	10,000.00	0.01	JP MORGANSECURITIES SINGAPORE	3,280.68	622,000.00	0.01
EXANE LIMITED	1,382.96	8,600.00	0.16	JPMORG SEC(FAR EAST)LTD SEOUL	7,746.50	30,003.00	0.26
EXANE S.A.	26,596.92	203,542.00	0.13	JPMORGAN CHASE BANK	2,326.77	6,666,171.06	0.00
EXECUTIONLIMITED	3,594.60	27,800.00	0.13	JPMORGAN CHASE BANK/CORRESPONDENT CLR SV	13,536.21	855,806.00	0.02
EXECUTIONLTD	4,997.99	946,678.00	0.01	JPMORGAN SECURITIES(ASIA PACIFIC)LTD	34,332.26	18,511,793.00	0.00
FACTSET DATA SYSTEMS	18,450.24	615,008.00	0.03	KAF SEAGROATT AND CA	657.33	127,800.00	0.01
FATOR - DORIA ATHERINO S/A CV	1,423.62	21,000.00	0.07	KAS-ASSOCIATIE N.V.	2,061.31	178,959.00	0.01
FEDERATEDSTOCK AND CALIFORNIA MUNI FUND	355.67	67,700.00	0.01	KAUFMAN BROTHERS	32.95	659.00	0.05
FERRIS BAKER WATTS INC	100.00	2,000.00	0.05	KAUPTHINGBANK SVERIGE AB STOCKHOLM	185.26	3,919.00	0.05
FIDELITY CAPITAL MARKETS	2,418.02	87,366.00	0.03	KBC BANK NV	2,182.07	15,422.00	0.14
FIRST ALBANY CAPITAL INC.	18,385.49	1,777,954.00	0.01	KBC FINANCIAL PRODUCTS UK LTD	55,944.79	2,177,389.00	0.03
FIRST ANALYSIS SECURITIES CORP	124.93	2,664.00	0.05	KBC PEEL HUNT LTD	717.88	70,760.00	0.01
FIRST CLEARING, LLC	100.00	2,000.00	0.05	KEEFE BRUYETTE + WOODS INC	15,407.15	204,264.00	0.08
FIRST SOUTHWEST COMPANY	355.00	7,100.00	0.05	KEEFE BRUYETTE AND WOOD LIMITED	4,545.65	120,420.00	0.04
FONDSFINANS A/S	108.56	3,600.00	0.03	KELLOGG PARTNERS	15.00	300.00	0.05
FORTIS BANK (NEDERLAND) N.V.	8,900.28	31,883.00	0.28	KELLY + CHRISTENSEN INC	101.00	5,050.00	0.02
FOX PITT KELTON INC	24,938.95	527,025.00	0.05	KEMPEN + CO N.V.	3,087.94	225,056.00	0.01
FOX-PITT KELTON LTD	11,390.69	139,916.00	0.08	KEPLER EQUITIES	526.15	5,495.00	0.10
FRIEDMAN BILLINGS + RAMSEY	13,037.57	372,287.00	0.04	KEPLER EQUITIES FRANKFURT BRANCH	1,627.77	11,801.00	0.14
FUTURETRADE SECURITIES, LLC	222.66	11,133.00	0.02	KEPLER EQUITIES PARIS	3,588.28	13,200.00	0.27
G TRADE SERVICES LTD	3,457.91	412,702.00	0.01	KEPLER EQUITIES SUCURSAL EN ESPANA	2,198.66	116,142.00	0.02
G.K. GOH STOCKBROKERS PTE LTT.	168.74	16,624.00	0.01	KEPLER EQUITIES ZURICH	1,825.69	9,154.00	0.20
GARDNER RICH + CO	43.40	1,180.00	0.04	KEYBANC CAPITAL MARKETS INC	444.40	11,480.00	0.04
GARP STEARNS & SECURITIES CO	316.00	7,900.00	0.04	KIM ENG SECURITIES	14,821.54	2,380,220.00	0.01
GILBERT DUPONT SOCIETE DE BOURSE PARIS	356.02	2,171.00	0.16	KING, CL & ASSOCIATES, INC	6,321.40	145,180.00	0.04
GK GOH SECURITIES (HK) LTD.	362.54	26,000.00	0.01	KLEINWORTBENSON SECURITIES LIMITED	45,221.77	5,889,456.00	0.01
GOLDMAN SACHS	256.78	6,700.00	0.04	KNIGHT SECURITIES	133,449.07	4,483,887.00	0.03
GOLDMAN SACHS (ASIA) LLC	5,376.44	171,350.00	0.03	LA BRANCHE FINANCIAL #2	87,170.57	3,006,691.00	0.03
GOLDMAN SACHS + CO	534,931.68	6,188,572,785.99	0.00	LABRANCHEFINANCIAL SERVICES L	644.72	23,444.00	0.03
GOLDMAN SACHS EXECUTION + CLEARING	150,472.07	5,173,018.00	0.03	LAMBRIGHTFINANCIAL SECURITIES	5,211.48	315,507.00	0.02
GOLDMAN SACHS INTERNATIONAL	51,107.51	4,648,129.00	0.01	LARRAIN VIAL	9,717.82	419,142.00	0.02
GOODBODY STOCKBROKERS	1,388.03	38,300.00	0.04	LAZARD ASSET MANAGEMENT	262.73	6,759.00	0.04
GREAT PACIFIC SECURITIES INC.	171.43	5,800.00	0.03	LAZARD CAPITAL MARKETS LLC	9,981.20	237,530.00	0.04
GREENTREEBROKERAGE SERVICES INC	9,495.20	259,460.00	0.04	LEERINK SWANN AND COMPANY	14,959.15	355,720.00	0.04
GRW CAPITAL CORP	130.00	2,600.00	0.05	LEHMAN BROTHERS	439.79	1,050.00	0.42
GUZMAN + CO	31,212.72	1,145,952.00	0.03	LEHMAN BROTHERS INC	376,417.52	2,828,238,662.54	0.00
HARRIS NESBITT CORP	458.80	11,470.00	0.04	LEHMAN BROTHERS INTERNATIONAL	321.07	18,700.00	0.02
HC ISTANBUL	1,198.49	106,930.00	0.01	LEHMAN BROTHERS INTERNATIONAL (EUROPE)	178,025.33	17,999,006.00	0.01
HEFLIN + CO LLC	242,131.66	8,352,083.00	0.03	LEHMAN BROTHERS INTL (EUROPE) SEOUL BR	8,239.35	98,803.00	0.08
HG ASIA	8,173.14	1,235,300.00	0.01	LEHMAN BROTHERS SECS (ASIA)	26,288.63	4,483,354.00	0.01
HONGKONG AND SHANGHAI BANKING CORP	3,244.46	261,690.00	0.01	LIQUIDNETEUROPE LIMITED	1,740.84	398,547.00	0.00
HOWARD WEIL DIVISION LEGG MASON	2,153.35	43,067.00	0.05	LIQUIDNETINC	131,850.11	6,366,450.00	0.02
HSBC BANKA.S. ISTANBUL	282.64	10,330.00	0.03	LOMBARD, ODIER AND CIE	150.05	352.00	0.43
HSBC BANKPLC	6,096.29	7,667,751.00	0.00	LOOP CAPITAL MKTS LLC	4,015.17	152,351.00	0.03
HSBC JAMES CAPEL SEOUL	3,646.89	30,450.00	0.12	LYNCH JONES AND RYAN INC	335.30	19,890.00	0.02
HSBC SEC NEW YORK	198.15	5,948.00	0.03	M RAMSEY KING SECURITIES INC	11,462.00	286,550.00	0.04
HSBC SECURITIES (USA), INC./STOCK LOAN	15,934.48	490,928.00	0.03	MACQUARIEEQUITIES LIMITED (SYDNEY)	36,332.90	2,193,352.00	0.02
HSBC SECURITIES INC (JAMES CAPEL)	4,800.53	205,458.00	0.02	MACQUARIEEQUITIES LTD	6,517.44	1,228,414.00	0.01
HVB CAPITAL MARKETS, INC	4,238.14	199,238.00	0.02	MACQUARIEEQUITIES NEW YORK	58,842.49	2,220,166.00	0.03
HYUNDAI SECURITIES CO. LTD.	17,779.72	315,726.00	0.06	MACQUARIESECS HONG KONG LTD	94.50	47,000.00	0.00
IMPERIAL CAPITAL LLC	26,552.23	929,088.00	0.03	MACQUARIESECURITIES (SINGAPORE)	6,751.77	2,431,820.00	0.00
ING BANK N V	4,392.07	366,820.00	0.01	MACQUARIESECURITIES (THAILAND) LTD	2,958.67	779,820.00	0.00
ING BARINGS CORP	25,482.04	5,968,060.00	0.00	MACQUARIESECURITIES (USA) INC	29.00	580.00	0.05
INSTINET	70,783.35	3,945,310.00	0.02	MACQUARIESECURITIES INDONESIA	6,626.32	1,890,500.00	0.00
INSTINET CANADA	733.99	41,100.00	0.02	MACQUARIESECURITIES LIMITED	76,914.02	30,504,237.00	0.00
INSTINET FRANCE S.A.	4,221.88	184,712.00	0.02	MACQUARIESECURITIES LTD SEOUL	12,051.95	566,051.00	0.02
INSTINET PACIFIC LIMITED	18,508.37	11,256,906.00	0.00	MAGNA SECURITIES CORP	29,483.56	943,555.00	0.03
INSTINET U.K. LTD	76,532.44	10,785,723.00	0.01	MAINFIRSTBANK DE	5,224.24	61,500.00	0.08
INSTINET,LLC	6,714.42	375,238.00	0.02	MAN FINANCIAL LIMITED	586.69	4,639.00	0.13
INSTINETCLEARING SERVICES, INC.	1,168.57	55,619.00	0.02	MCDONALD AND COMPANY SECURITIES, INC.	5,241.10	120,480.00	0.04
INTERMOBILIARE SECURITIES SIM SPA	10,041.61	613,800.00	0.02	MEDIOBANCA SPA	310.94	3,500.00	0.09
INVERLAT INTERNATIONAL	2,923.35	376,600.00	0.01	MELVIN SECURITIES LLC	923.36	21,984.00	0.04
INVESTEC HENDERSON CROSTHWAITE	1,491.03	102,500.00	0.01	MERRILL LYNCH INTERNATIONAL	192,091.18	16,403,319.00	0.01
INVESTMENT TECHNOLOGY GROUP INC.	277,080.56	18,387,793.00	0.02	MERRILL LYNCH PEIRCE FENNER AND S	125,234.15	15,544,960.00	0.01
ISI GROUPINC	10,071.34	249,499.00	0.04	MERRILL LYNCH PROFESSIONAL CLEARING CORP	517.30	12,002.00	0.04
ITAU	30,056.47	45,453,431.00	0.00	MERRILL LYNCH,PIERCE,FENNER + SMITH, INC	425,390.34	1,691,127,667.06	0.00
ITG AUSTRALIA LTD.	60.34	16,166.00	0.00	MERRIMAN CURHAN FORD + CO	116.15	2,323.00	0.05
ITG CANADA	49.07	3,100.00	0.02	MERRION CAPITAL GROUP	282.24	6,700.00	0.04
ITG INC	215.74	38,900.00	0.01	MIDWEST RESEARCH SECURITIES	4,180.18	131,129.00	0.03
ITG SECURITIES (HK) LTD	3,178.49	704,809.00	0.00	MILETUS TRADING LLC	35,115.14	2,747,305.00	0.01
IVY SECURITIES, INC.	297.60	9,920.00	0.03	MILLER TABAK + CO LLC	938.46	1,079,846.00	0.00
IXIS SECURITIES	1,206.84	7,148.00	0.17	MISCHLER FINANCIAL GROUP, INC-EQUITIES	15,157.39	550,834.00	0.03
J AND E DAVY	2,590.37	107,773.00	0.02	MITSUBISHI UFJ SECURITIES INT PLC	309.08	16,700.00	0.02
J B WERE + SON LIMITED	105.91	44,018.00	0.00	MIZUHO SEC ASIA LTD	6,990.67	426,700.00	0.02
J P MORGAN SECURITIES INC	262,566.52	430,998,737.98	0.00	MIZUHO SECURITIES USA INC	22,279.26	567,999.00	0.04
J.P. MORGAN SECURITIES LIMITED	20,181.94	12,989,782.00	0.00	MJSK INC	44.52	1,484.00	0.03
JANNEY MONTGOMERY, SCOTT INC	346.93	7,710.00	0.04	MKM PARTNERS	2,592.00	63,440.00	0.04
JEFFERIES+ COMPANY INC	98,464.09	7,225,776.18	0.01	MONTGOMERY + COMPANY LLC EQUITIES	72.15	1,443.00	0.05
JEFFERIESINTERNATIONAL LTD	25,094.93	607,165.00	0.04	MONTROSE SECURITIES EQUITIES	13,668.90	486,069.00	0.03
JMP SECURITIES	2,194.33	58,133.00	0.04	MOORS + CABOT INC	150.00	5,000.00	0.03
JOH BERENBERG GOSSLER AND CO	11,783.65	104,300.00	0.11	MORGAN KEEGAN & CO INC	1,575.85	6,988,073.00	0.00
JOHNSON RICE + CO	1,417.75	28,995.00	0.05	MORGAN STANLEY AND CO INTERNATIONAL	77,744.96	63,396,955.00	0.00
JONES & ASSOCIATES INC	108,036.21	3,718,256.00	0.03	MORGAN STANLEY CO INCORPORATED	431,245.86	4,340,807,813.76	0.00

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF BROKERAGE COMMISSIONS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Broker Name	\$ Commission	Shares/ Par Value	Avg Comm	Broker Name	\$ Commission	Shares/ Par Value	Avg Comm
MORGAN STANLEY DW INC	20.00	500.00	0.04	STANLEY (CHARLES) + CO LIMITED	1,090.14	311,208.00	0.00
MORGAN STANLEY H.K. SECURITIES LTD	214.98	180,277.00	0.00	STATE STREET BANK AND TRUST CO LONDON	512,437.51	95,735,114.00	0.01
MORGAN STANLEY SECURITIES LIMITED	13,595.59	1,255,700.00	0.01	STATE STREET BANK AND TRUST CO	2,778.32	214,093.00	0.01
MR BEAL & COMPANY	8,732.74	223,942.00	0.04	STATE STREET BANK EUROPE LONDON	2,380.72	68,719.00	0.03
NATIONAL FINANCIAL SERVICES CORP.	6,081.82	1,620,150.73	0.00	STATE STREET BROKERAGE SERVICES	245,632.30	16,192,211.00	0.02
NCB STOCKBROKERS LTD	922.74	26,786.00	0.03	STATE STREET SECURITIES EUROPE LTD	635.48	137,946.00	0.00
NEEDHAM + COMPANY	1,354.19	27,714.00	0.05	STEPHENS, INC.	1,322.13	852,725.60	0.00
NEUBERGER AND BERMAN	10,301.29	427,535.00	0.02	STERNE, AGEE & LEACH, INC.	621.80	191,576.00	0.00
NEUE ZURCHER BANK	457.38	1,108.00	0.41	STIFEL NICOLAUS + CO INC	4,393.43	1,925,022.00	0.00
NEXT GENERATION EQUITY RESEARCH LLC	350.70	7,014.00	0.05	STUART FRANKEL + CO INC	10,168.41	406,730.00	0.03
NOMURA INTERNATIONAL (HONG KONG) LTD	1,000.47	634,000.00	0.00	STUDNESS RESEARCH	400.00	10,000.00	0.04
NOMURA INTERNATIONAL PLC	13,884.30	1,036,821.00	0.01	SUNTRUST CAPITAL MARKETS, INC.	20,783.27	539,621.00	0.04
NOMURA SECURITIES INTERNATIONAL INC	110,651.92	28,021,794.00	0.00	SVENSKA HANDELSBANKEN	3,553.97	98,925.00	0.04
NORDIC PARTNERS	1,755.00	34,523.00	0.05	SVENSKA HANDELSBANKEN LONDON BRANCH	2,632.85	49,418.00	0.05
NUMIS SECURITIES LIMITED	376.52	54,545.00	0.01	TEB YATIRIM MENKUL DEGERLER A.S.	3,900.89	209,240.00	0.02
NUTMEG SECURITIES	15,962.53	409,422.00	0.04	THEMIS TRADING LLC	11,448.53	545,324.00	0.02
NYFIX TRANSACTION SERVICES #2	1,730.48	86,524.00	0.02	THINQUITY PARTNERS LLC	3,343.40	67,987.00	0.05
NZB NEUE ZUERCHER BANK	1,066.80	7,166.00	0.15	THOMAS WEISEL PARTNERS LLC	45,172.81	1,633,251.00	0.03
NZB NEUE ZURCHER BANK	1,628.07	3,447.00	0.47	TOKYO MITSUBISHI INTERNATIONAL PLC	21,150.41	1,352,458.00	0.02
O NEIL, WILLIAM AND CO. INC/BCC CLRG	4,972.50	122,650.00	0.04	TOKYO-MITSUBISHI SECURITIES (USA)	20,424.62	395,177.00	0.05
OBERLIN FINANCIAL CORP	96.00	1,920.00	0.05	TRADEX BROKERAGE SERV.	15.00	504.00	0.03
ODDO FINANCE	7,797.96	52,668.00	0.15	TROIKA - NEW YORK	176.00	4,400.00	0.04
OIEN SECURITIES, INC	27,440.72	971,159.00	0.03	TROIKA DIALOG	544.00	13,600.00	0.04
OPPENHEIM, SAL., JR UND CIE KOELN	14,391.99	249,985.00	0.06	TROIKA DIALOG USA	616.00	15,400.00	0.04
OPPENHEIMER & CO. INC.	20,125.03	507,034.00	0.04	TROIKA DIALOG USA, INC	30,547.84	857,765.00	0.04
ORIEL SECURITIES LTD	233.30	4,000.00	0.06	U S CLEARING INSTITUTIONAL TRADING	2,006.25	40,125.00	0.05
PACIFIC AMERICAN SECURITIES, LLC	21,154.56	727,624.00	0.03	UBS AG	203,689.18	61,528,726.00	0.00
PACIFIC CREST SECURITIES	3,196.60	79,915.00	0.04	UBS AG LONDON	218,130.08	424,713,200.00	0.00
PARIBAS SECURITIES INC	26,101.45	7,445,822.00	0.00	UBS AG/CUST LDN BRAN	2,598.75	6,620.00	0.39
PCS DUNBAR SECURITIES	2,365.25	47,305.00	0.05	UBS FINANCIAL SERVICES INC	1,478.50	5,429,950.11	0.00
PENSON FINANCIAL SERVICES CANADA INC	44.04	4,300.00	0.01	UBS LIMITED	172.62	3,400.00	0.05
PENSON FINANCIAL SERVICES INC	21.90	170,438.00	0.00	UBS SECURITIES ASIA LTD	135,875.80	81,350,557.00	0.00
PERSHING	1,471.38	116,400.00	0.01	UBS SECURITIES LLC	401,820.01	931,035,787.52	0.00
PERSHING DIVISION OF DONALDSON LUFKIN	3,115.25	671,345.18	0.00	UBS SECURITIES SINGAPORE PTE	10,271.17	3,895,590.00	0.00
PERSHING DLJ S L	59,894.76	3,345,376.00	0.02	UBS SECURITIES MALAYSIA SDN BHD	3,193.56	970,100.00	0.00
PERSHING LLC	13,615.35	11,261,332.15	0.00	UBS WARBURG (HONG KONG) LIMITED	1,430.28	100,200.00	0.01
PERSHING SECURITIES LIMITED	12,382.78	1,276,398.00	0.01	UBS WARBURG AUSTRALIA EQUITIES	23.83	1,240.00	0.02
PERSHING/CLEARANCE.NY	68.00	1,700.00	0.04	UBS WARBURG LLC	29,486.23	16,833,820.00	0.00
PETERCAM S.A.	3,125.20	45,370.00	0.07	UNIBANCO-UNIAO DE BANCOS BRASIL	200.23	8,700.00	0.02
PICKERING ENERGY PARTNERS, INC	122.50	2,450.00	0.05	UNITED FINANCIAL GROUP	2,235.97	55,900.00	0.04
PICTET AND CIE	4,076.34	26,980.00	0.15	UNIX INC.	5,203.58	260,179.00	0.02
PIPELINE TRADING SYSTEMS LLC	17,153.84	925,398.00	0.02	UOB KAY HIAN (HONG KONG) LTD	5,030.39	4,462,586.00	0.00
PIPER JAFFRAY	43,613.24	1,272,238.00	0.03	UOB KAY HIAN PRIVATE LIMITED	1,935.33	492,517.00	0.00
POLCARI /WEICKER DIV OF ICAP	7,252.00	181,300.00	0.04	UOB KAY HIAN SECURITIES PT	160.10	60,000.00	0.00
PROBURSA CASA DE BOLSA SA DE CV	1,450.15	274,444.00	0.01	VANDHAM SECURITIES CORP	13,681.29	323,503.00	0.04
PRUDENTIAL EQUITY GROUP	27,457.47	733,272.00	0.04	VICKERS BALLAS LTD	16,915.26	594,000.00	0.03
PULSE TRADING LLC	77,335.78	3,866,789.00	0.02	WACHOVIA SECURITIES INS	29.60	1,184.00	0.03
RAYMOND JAMES AND ASSOCIATES INC	18,031.83	3,193,920.00	0.01	WACHOVIA SECURITIES, LLC	689.80	1,672,592.00	0.00
RAYMOND JAMES TRUST COMPANY	3,621.28	358,227.00	0.01	WACHOVIA CAPITAL MARKETS, LLC	31,891.26	7,595,356.00	0.00
RBC CAPITAL MARKETS	8,070.65	5,093,309.00	0.00	WARBURG DILLION READ (ASIA) LTD	22,534.59	1,737,836.00	0.01
RBC DOMINION SECURITIES INC.	360.79	2,305.00	0.16	WARBURG DILLON READ	1.37	243.00	0.01
REDBURN PARTNERS LLP	16,479.30	917,650.00	0.02	WAVE SECURITIES	12,348.31	1,442,640.00	0.01
RENAISSANCE CAPITAL GROUP	12,119.69	347,720.00	0.03	WEBBUSH MORGAN SECURITIES INC	5,569.85	144,806.00	0.04
RENAISSANCE CAPITAL LTD	11,263.07	387,980.00	0.03	WEEDEN + CO.	200,520.41	7,073,480.00	0.03
ROBERT VAN SECURITIES	3,536.54	115,499.00	0.03	WESTDEUTSCHE LANDESBANK GIROZENTRALE	5,262.91	25,028.00	0.21
ROCHDALE SEC CORP.(CLS THRU 443)	77,001.14	2,653,254.00	0.03	WESTMINSTER (CLS THRU 443)	3,980.00	102,200.00	0.04
ROTH CAPITAL PARTNERS LLC	4,112.61	94,061.00	0.04	WESTMINSTER RESEARCH	136.99	3,700.00	0.04
RYAN BECK+ CO	232.53	5,060.00	0.05	WESTMINSTER RESEARCH ASSOCIATE	459.85	11,021.00	0.04
S.G. COWEN & CO., LLC	11,165.63	361,527.00	0.03	WILLIAM BLAIR & COMPANY, L.L.C	7,455.39	162,349.00	0.05
SALOMON SMITH BARNEY KOREA LTD	3,740.71	46,803.00	0.08	WILLIAMS CAPITAL GROUP LP (THE)	28,610.38	851,463.00	0.03
SALOMON SMITH BARNEY SINGAPORE SECU	670.52	133,000.00	0.01	WINTERFLOOD SECURITIES LTD	157.03	10,000.00	0.02
SAMSUNG SECURITIES CO LTD	46,437.59	1,184,048.00	0.03	WOORI INVESTMENT SECURITIES	7,119.08	146,137.00	0.05
SAMUEL A RAMIREZ & COMPANY INC	1,065.99	42,639.00	0.04	WR HAMBRECHT + CO	1,149.38	23,302.00	0.05
SANDERS MORRIS MUNDY	1,458.50	37,850.00	0.04	YAMNER & CO INC (CLS THRU 443)	823.18	82,318.00	0.01
SANDLER ONEILL + PART LP	2,461.00	49,220.00	0.05	YORKTON SECURITIES INC	345.60	23,040.00	0.02
SANFORD C. BERNSTEIN LTD	47,325.62	3,082,018.00	0.02	ZANNEX SECURITIES	1,982.15	162,543.00	0.01
SANFORD CBERNSTEIN CO LLC	47,283.23	2,291,048.00	0.02				
SANTANDERCENTRAL HISPANO BOLSA	62.22	1,086.00	0.06				
SANTANDERINVESTMENT BANK LTD	293.96	4,410.00	0.07				
SANTANDERINVESTMENT SECURITIES INC	386.53	38,330.00	0.01				
SBC WARBURG LONDON	1,829.89	297,895.00	0.01				
SBK BROOKS INVESTMENY CORP	143.10	285,988.20	0.00				
SCHONFIELD SECURITIES	990.13	98,355.00	0.01				
SCOTT & STRINGFELLOW, INC	15,299.56	3,999,259.00	0.00				
SCREAMINGEAGLE TRADING INC	118,446.40	4,118,601.00	0.03				
SG SECURITIES HK	325.24	31,820.00	0.01				
SHINYOUNGSECURITIES CO LTD	27,395.33	505,472.00	0.05				
SIDOTI + COMPANY LLC	5,461.19	115,147.00	0.05				
SIMMONS +COMPANY INTERNATIONAL	11,036.90	239,098.00	0.05				
SKANDINAVISKA ENSKILDA BANK	173.86	547.00	0.32				
SOCIETE GENERALE	1,366.88	275,100.00	0.00				
SOCIETE GENERALE LONDON BRANCH	35,557.45	1,610,892.00	0.02				
SOLEIL SECURITIES	24,283.95	651,930.00	0.04				
SOUTHWESTSECURITIES	5,450.12	136,253.00	0.04				
SSB CUSTODIAN	1.45	65,029.00	0.00				
STANFORD GROUP COMPANY	139.00	2,780.00	0.05				
				Total	\$13,837,372.05		

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SCHEDULE OF NET ASSETS BY INVESTMENT FUND

JUNE 30, 2007

	CASH RESERVE FUND	MUTUAL EQUITY FUND	FIXED INCOME FUND	INTER- NATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMI- NATION ENTRY	TOTAL
ASSETS									
Investments in Securities, at Fair Value									
Cash Reserve Fund	\$ -	\$65,382,302	\$1,669,622,150	\$74,600,248	\$153,170,413	\$141,162	\$147,429,572	\$(2,110,345,847)	\$ -
Cash Equivalents	1,584,806,115	-	698,054	4,556,865	-	-	-	-	1,590,061,034
Asset Backed Securities	143,000,000	-	165,135,475	-	-	-	-	-	308,135,475
Government Securities	-	-	1,703,293,839	-	-	-	-	-	1,703,293,839
Government Agency Securities	76,610,835	-	2,227,725,958	-	-	-	-	-	2,304,336,793
Mortgage Backed Securities	112,947,987	-	979,447,824	-	-	359,531	-	-	1,092,755,342
Corporate Debt	429,278,605	-	1,488,286,378	1,779,727	-	-	-	-	1,919,344,710
Convertible Securities	-	-	27,448,802	1,737,509	-	-	-	-	29,186,311
Common Stock	-	9,597,671,756	11,135,777	5,556,478,449	-	7,262,768	-	-	15,172,548,750
Preferred Stock	-	-	2,310,335	113,280,041	-	-	-	-	115,590,376
Real Estate Investment Trust	-	147,403,949	304,800	16,546,875	-	-	-	-	164,255,624
Mutual Fund	-	141,537	262,534,525	171,234,100	-	-	-	-	433,910,162
Limited Liability Corporation	-	-	-	-	-	-	4,289,757	-	4,289,757
Trusts	-	-	-	-	7,147,382	-	-	-	7,147,382
Limited Partnerships	-	174,180	-	-	524,422,402	-	1,405,076,155	-	1,929,672,737
Annuities	-	-	-	-	966	-	-	-	966
Total Investments in Securities, at Fair Value	2,346,643,542	9,810,773,724	8,537,943,917	5,940,213,814	684,741,163	7,763,461	1,556,795,484	(2,110,345,847)	26,774,529,258
Cash	-	-	18,947,078	27,134,981	-	-	2,593,508	-	48,675,567
Receivables									
Foreign Exchange Contracts	-	-	165,798,332	9,773,771,214	-	-	-	-	9,939,569,546
Interest Receivable	13,042,294	317,923	79,913,551	363,020	745,026	507	565,584	(9,219,772)	85,728,133
Dividends Receivable	-	10,043,020	21,422	9,374,449	-	-	-	-	19,438,891
Due from Brokers	-	31,135,344	670,187,623	26,200,342	-	-	288,438	-	727,811,747
Foreign Taxes	-	642	4,829	4,074,645	-	-	-	-	4,080,116
Securities Lending Receivable	-	453,867	320,431	498,438	-	-	-	-	1,272,736
Reserve for Doubtful Receivables	-	-	(11,967,914)	(37,255)	-	-	-	-	(12,005,169)
Total Receivables	13,042,294	41,950,796	904,278,274	9,814,244,853	745,026	507	854,022	(9,219,772)	10,765,896,000
Invested Securities Lending Collateral	-	1,518,650,805	1,399,632,534	704,015,011	-	-	-	-	3,622,298,350
Prepaid Expenses	7	-	-	-	202,923	3,513	3,378,221	(7)	3,584,657
Total Assets	2,359,685,843	11,371,375,325	10,860,801,803	16,485,608,659	685,689,112	7,767,481	1,563,621,235	(2,119,565,626)	41,214,983,832
LIABILITIES									
Payables									
Foreign Exchange Contracts	-	-	167,210,693	9,734,436,138	-	-	-	-	9,901,646,831
Due to Brokers	-	32,822,245	1,698,445,724	20,293,539	-	-	-	-	1,751,561,508
Other Payable	-	17,819	-	-	-	-	-	-	17,819
Income Distribution	10,495,488	-	-	-	-	-	-	(9,219,271)	1,276,217
Total Payables	10,495,488	32,840,064	1,865,656,417	9,754,729,677	-	-	-	(9,219,271)	11,654,502,375
Securities Lending Collateral	-	1,518,650,805	1,399,632,534	704,015,011	-	-	-	-	3,622,298,350
Accrued Expenses	5,043	1,798,271	1,975,975	6,113,393	-	-	-	(508)	9,892,174
Total Liabilities	10,500,531	1,553,289,140	3,267,264,926	10,464,858,081	-	-	-	(9,219,779)	15,286,692,899
NET ASSETS	\$2,349,185,312	\$9,818,086,185	\$7,593,536,877	\$6,020,750,578	\$685,689,112	\$7,767,481	\$1,563,621,235	\$(2,110,345,847)	25,928,290,933
Units Outstanding	2,349,185,312	9,047,632	66,302,298	13,607,181	12,443,327	141,599	27,709,938		
Net Asset Value and Redemption Price per Unit	\$1.00	\$1,085.16	\$114.53	\$442.47	\$55.10	\$54.86	\$56.43		

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	CASH RESERVE FUND	MUTUAL EQUITY FUND	FIXED INCOME FUND	INTER- NATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMI- NATION ENTRY	TOTAL
ADDITIONS									
OPERATIONS									
Investment Income									
Dividends	\$ -	\$167,617,448	\$9,711,547	\$157,348,975	\$5,081,555	\$828,462	\$218,358,439	\$ -	\$558,946,426
Interest	93,993,237	5,372,398	359,820,330	5,140,142	4,136,467	11,930	5,708,668	(78,172,736)	396,010,436
Other Income	38,256	6,088,093	818,212	43,993	2,510	-	1,185	(31,817)	6,960,432
Securities Lending	-	63,443,598	63,535,223	42,719,791	-	-	-	-	169,698,612
Total Income	94,031,493	242,521,537	433,886,312	205,252,901	9,220,532	840,392	224,068,292	(78,204,553)	1,131,615,906
Investment Expenses									
Investment Advisory Fees	324,772	9,473,490	8,473,079	28,520,098	721,844	100,083	3,637,161	(270,108)	50,980,419
Custody and Transfer Agent Fees	13	75,832	13,628	28,361	23	-	52	(11)	117,898
Professional Fees	26,687	267,963	138,146	145,366	346,978	150	1,269,270	(22,195)	2,172,365
Security Lending Fees	-	893,290	584,933	999,152	-	-	-	-	2,477,375
Security Lending Rebates	-	58,637,132	60,797,202	36,825,252	-	-	-	-	156,259,586
Investment Expenses	-	-	-	280,552	-	162	-	-	280,714
Total Investment Expenses	351,472	69,347,707	70,006,988	66,798,781	1,068,845	100,395	4,906,483	(292,314)	212,288,357
Net Investment Income	93,680,021	173,173,830	363,878,324	138,454,120	8,151,687	739,997	219,161,809	(77,912,239)	919,327,549
Net Realized Gain (Loss)	54,999	738,234,434	12,390,929	883,042,101	87,236,479	(1,028)	(196,805,200)	(45,742)	1,524,106,972
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	-	700,589,415	59,192,266	502,782,111	(24,389,164)	(55,086)	234,194,086	-	1,472,313,628
Net Increase (Decrease) in Net Assets Resulting from Operations	93,735,020	1,611,997,679	435,461,519	1,524,278,332	70,999,002	683,883	256,550,695	(77,957,981)	3,915,748,149
Unit Transactions									
Purchase of Units by Participants	4,070,399,456	6,000,000	1,357,306,700	12,500,000	448,200,000	-	211,760,000	(2,462,416,363)	3,643,749,793
TOTAL ADDITIONS	4,164,134,476	1,617,997,679	1,792,768,219	1,536,778,332	519,199,002	683,883	468,310,695	(2,540,374,344)	7,559,497,942
DEDUCTIONS									
Administrative Expenses:									
Salary and Fringe Benefits	(128,636)	(1,242,362)	(496,507)	(742,688)	(299,427)	(6,400)	(377,798)	106,985	(3,186,833)
Distributions to Unit Owners:									
Income Distributed	(93,606,384)	(168,092,984)	(306,916,375)	(106,026,251)	(89,653,877)	(1,360,013)	(224,104,995)	77,850,996	(911,909,883)
Unit Transactions:									
Redemption of Units by Participants	(3,104,807,076)	(612,942,000)	(311,000,000)	(766,534,000)	(142,300,000)	(9,753,740)	(40,200,000)	1,454,653,547	(3,532,883,269)
TOTAL DEDUCTIONS	(3,198,542,096)	(782,277,346)	(618,412,882)	(873,302,939)	(232,253,304)	(11,120,153)	(264,682,793)	1,532,611,528	(4,447,979,985)
CHANGE IN NET ASSETS	965,592,380	835,720,333	1,174,355,337	663,475,393	286,945,698	(10,436,270)	203,627,902	(1,007,762,816)	3,111,517,957
Net Assets- Beginning of Period	1,383,592,932	8,982,365,852	6,419,181,540	5,357,275,185	398,743,414	18,203,751	1,359,993,333	(1,102,583,031)	22,816,772,976
Net Assets- End of Period	\$2,349,185,312	\$9,818,086,185	\$7,593,536,877	\$6,020,750,578	\$685,689,112	\$7,767,481	\$1,563,621,235	\$(2,110,345,847)	\$25,928,290,933
Other Information:									
Units									
Purchased	4,070,399,456	5,606	11,721,432	33,620	7,838,493	-	3,869,129		
Redeemed	(3,104,807,076)	(578,157)	(2,711,158)	(1,839,829)	(2,448,467)	(165,349)	(729,073)		
Net Increase (Decrease)	965,592,380	(572,551)	9,010,274	(1,806,209)	5,390,026	(165,349)	3,140,056		

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**SCHEDULE OF CHANGES IN NET ASSETS BY INVESTMENT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

	CASH RESERVE FUND	MUTUAL EQUITY FUND	FIXED INCOME FUND	INTER- NATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	ELIMI- NATION ENTRY	TOTAL
ADDITIONS									
OPERATIONS									
Investment Income									
Dividends	\$ -	\$149,610,734	\$11,698,294	\$139,763,454	\$6,029,681	\$1,959,193	\$216,504,395	\$ -	\$525,565,751
Interest	60,527,772	5,245,411	322,999,896	3,852,063	1,085,773	16,741	4,083,110	(47,024,285)	350,786,481
Other Income	293,565	1,969,862	17,764	329,928	77,256	44	5,872	(228,072)	2,466,219
Securities Lending	-	32,100,786	51,878,302	38,167,755	-	-	-	-	122,146,843
Total Income	60,821,337	188,926,793	386,594,256	182,113,200	7,192,710	1,975,978	220,593,377	(47,252,357)	1,000,965,294
Investment Expenses									
Investment Advisory Fees	271,123	25,959,765	7,355,194	25,266,303	837,532	183,500	4,702,362	(210,637)	64,365,142
Custody and Transfer Agent Fees	179	60,204	14,186	21,233	1,319	-	-	(139)	96,982
Professional Fees	30,227	261,024	129,716	125,529	590,270	397	846,531	(23,483)	1,960,211
Security Lending Fees	-	505,515	706,078	1,195,140	-	-	-	-	2,406,733
Security Lending Rebates	-	29,451,218	48,358,606	31,038,894	-	-	-	-	108,848,718
Investment Expenses	-	-	-	330,982	-	-	-	-	330,982
Total Investment Expenses	301,529	56,237,726	56,563,780	57,978,081	1,429,121	183,897	5,548,893	(234,259)	178,008,768
Net Investment Income	60,519,808	132,689,067	330,030,476	124,135,119	5,763,589	1,792,081	215,044,484	(47,018,098)	822,956,526
Net Realized Gain (Loss)	(8,230)	528,852,700	(53,478,690)	706,355,072	37,491,709	(31,989)	(333,155,492)	6,394	886,031,474
Net Change in Unrealized Gain/(Loss) on Investments and Foreign Currency	-	188,685,125	(222,605,217)	300,209,168	(19,310,239)	(8,330)	273,459,623	-	520,430,130
Net Increase (Decrease) in Net Assets Resulting from Operations	60,511,578	850,226,892	53,946,569	1,130,699,359	23,945,059	1,751,762	155,348,615	(47,011,704)	2,229,418,130
Unit Transactions									
Purchase of Units by Participants	2,809,551,009	-	385,675,000	-	81,500,000	-	30,767,471	(1,477,661,567)	1,829,831,913
TOTAL ADDITIONS	2,870,062,587	850,226,892	439,621,569	1,130,699,359	105,445,059	1,751,762	186,116,086	(1,524,673,271)	4,059,250,043
DEDUCTIONS									
Administrative Expenses:									
Salary and Fringe Benefits	(126,096)	(1,092,895)	(519,458)	(588,590)	(215,438)	(14,397)	(499,977)	97,965	(2,958,886)
Distributions to Unit Owners:									
Income Distributed	(60,385,485)	(121,789,550)	(293,302,171)	(104,884,693)	(61,396,627)	(1,564,409)	(206,124,351)	46,913,739	(802,533,547)
Unit Transactions:									
Redemption of Units by Participants	(3,004,267,283)	(20,100,000)	(7,000,000)	(156,800,000)	(44,700,000)	(2,306,800)	(60,000,000)	1,559,039,841	(1,736,134,242)
TOTAL DEDUCTIONS	(3,064,778,864)	(142,982,445)	(300,821,629)	(262,273,283)	(106,312,065)	(3,885,606)	(266,624,328)	1,606,051,545	(2,541,626,675)
CHANGE IN NET ASSETS	(194,716,277)	707,244,447	138,799,940	868,426,076	(867,006)	(2,133,844)	(80,508,242)	81,378,274	1,517,623,368
Net Assets- Beginning of Period	1,578,309,209	8,275,121,405	6,280,381,600	4,488,849,109	399,610,417	20,337,595	1,440,501,575	(1,183,961,306)	21,299,149,602
Net Assets- End of Period	\$1,383,592,932	\$8,982,365,852	\$6,419,181,540	\$5,357,275,185	\$398,743,411	\$18,203,751	\$1,359,993,333	\$(1,102,583,032)	\$22,816,772,972
Other Information:									
Units									
Purchased	2,809,551,009	-	3,383,108	-	1,370,411	-	538,345		
Redeemed	(3,004,267,283)	(21,657)	(62,189)	(499,476)	(730,227)	(39,184)	(1,042,694)		
Net Increase (Decrease)	(194,716,274)	(21,657)	3,320,919	(499,476)	640,184	(39,184)	(504,349)		

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
TOTAL NET ASSET VALUE BY PENSION PLANS AND TRUST FUNDS
JUNE 30, 2007**

<u>Retirement Funds</u>	<u>Net Asset Value</u>
Teachers' Retirement Fund	\$13,782,070,875
State Employees' Retirement Fund	10,037,695,557
Municipal Employees' Retirement Fund	1,717,314,131
State Judges' Retirement Fund	187,347,553
The Probate Court Retirement Fund	87,647,410
State's Attorneys Retirement Fund	875,031
<u>Non-retirement Trust Funds</u>	
Soldiers' Sailors' & Marines' Fund	61,628,735
Police & Firemans' Survivors' Benefit Fund	21,581,479
Connecticut Arts Endowment Fund	16,163,402
School Fund	9,730,013
Ida Eaton Cotton Fund	2,189,377
Hopemead Fund	2,373,799
Andrew Clark Fund	1,029,711
Agricultural College Fund	643,860
TOTAL	<u><u>\$25,928,290,933</u></u>

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN
FOR THE FISCAL YEAR ENDING JUNE 30, 2007**

	CASH RESERVE FUND	MUTUAL EQUITY FUND	MUTUAL FIXED INCOME FUND	INTER- NATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTALS
Teachers' Retirement Fund								
Book Value at June 30, 2006	\$ 227,936,767	\$ 977,591,175	\$ 2,956,689,828	\$ 1,272,716,452	\$ 249,096,705	\$ 12,529,454	\$ 1,156,856,096	\$ 6,853,416,477
Market Value at June 30, 2006	\$ 227,936,767	\$ 4,913,724,248	\$ 3,191,923,921	\$ 2,893,156,869	\$ 214,924,609	\$ 9,929,266	\$ 738,259,656	\$ 12,189,855,336
Shares Purchased	1,089,545,528	-	884,000,000	-	235,247,906	-	105,453,764	2,314,247,198
Shares Redeemed	(1,156,461,722)	(466,334,655)	(180,000,000)	(432,883,177)	(73,700,000)	(5,320,192)	(25,700,000)	(2,340,399,746)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	384,585,152	15,768,157	274,113,841	(7,663,133)	(1,429,244)	(14,678,326)	650,696,447
Net Investment Income Earned	9,525,656	91,432,311	156,362,953	57,026,194	47,483,675	41,176,465	79,738,238	482,745,492
Net Investment Income Distributed	(9,525,656)	(91,432,311)	(156,362,953)	(57,026,194)	(47,483,675)	(41,176,465)	(79,738,238)	(482,745,492)
Changes in Market Value of Fund Shares	-	401,248,874	46,603,359	489,215,772	(2,266,153)	1,056,956	31,812,832	967,671,640
Market Value at June 30, 2007	\$ 161,020,573	\$ 5,233,223,619	\$ 3,958,295,437	\$ 3,223,603,305	\$ 366,543,229	\$ 4,236,786	\$ 835,147,926	\$ 13,782,070,875
Book Value at June 30, 2007	161,020,573	895,841,672	3,676,457,985	1,113,947,116	402,981,478	5,780,018	1,221,931,534	7,477,960,376
Shares Outstanding	161,020,573	4,822,557	34,561,508	7,285,496	6,651,728	77,236	14,800,194	229,219,292
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ 442.47	\$ 55.10	\$ 54.86	\$ 56.43	
State Employees' Retirement Fund								
Book Value at June 30, 2006	\$ 35,236,987	\$ 694,143,373	\$ 2,388,437,403	\$ 919,238,996	\$ 179,929,206	\$ 8,777,020	\$ 817,400,570	\$ 5,043,163,555
Market Value at June 30, 2006	\$ 35,236,987	\$ 3,400,100,451	\$ 2,562,634,452	\$ 2,091,621,669	\$ 155,473,069	\$ 6,992,885	\$ 522,026,325	\$ 8,774,085,838
Shares Purchased	424,985,374	-	435,000,000	-	174,542,889	-	85,926,329	1,120,454,592
Shares Redeemed	(407,838,215)	(138,490,805)	(90,000,000)	(304,890,171)	(56,550,000)	(3,746,856)	(12,500,000)	(1,014,016,047)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	113,653,315	7,439,730	193,375,255	(5,750,473)	(981,203)	(7,125,852)	300,610,772
Net Investment Income Earned	4,595,288	64,009,608	120,140,660	41,312,284	35,213,443	37,509,822	49,757,444	352,538,549
Net Investment Income Distributed	(4,595,288)	(64,009,608)	(120,140,660)	(41,312,284)	(35,213,443)	(37,509,822)	(49,757,444)	(352,538,549)
Changes in Market Value of Fund Shares	-	434,971,771	43,463,745	359,562,234	(1,748,474)	719,012	19,592,114	856,560,402
Market Value at June 30, 2007	\$ 52,384,146	\$ 3,810,234,732	\$ 2,958,537,927	\$ 2,339,668,987	\$ 265,967,011	\$ 2,983,838	\$ 607,918,916	\$ 10,037,695,557
Book Value at June 30, 2007	52,384,146	669,305,883	2,740,877,133	807,724,080	292,171,622	4,048,961	883,701,047	5,450,212,872
Shares Outstanding	52,384,146	3,511,235	25,832,213	5,287,763	4,826,553	54,395	10,773,322	102,669,627
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ 442.47	\$ 55.10	\$ 54.86	\$ 56.43	
Municipal Employees' Retirement Fund								
Book Value at June 30, 2006	\$ 14,178,437	\$ 112,518,624	\$ 464,547,364	\$ 140,985,139	\$ 28,080,975	\$ 1,365,108	\$ 134,579,362	\$ 896,255,009
Market Value at June 30, 2006	\$ 14,178,437	\$ 563,400,983	\$ 488,638,421	\$ 320,781,868	\$ 24,341,024	\$ 1,095,359	\$ 88,684,358	\$ 1,501,120,450
Shares Purchased	75,472,059	-	35,000,000	10,000,000	33,873,253	-	15,157,667	169,502,979
Shares Redeemed	(70,356,467)	(6,377,975)	(30,000,000)	(23,122,754)	(11,550,000)	(586,902)	(2,000,000)	(143,994,098)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	5,238,975	2,030,529	14,210,008	(1,017,331)	(148,461)	(1,015,839)	19,297,881
Net Investment Income Earned	917,853	10,650,924	22,298,806	6,664,172	5,991,888	5,177,230	9,883,008	61,583,881
Net Investment Income Distributed	(917,853)	(10,650,924)	(22,298,806)	(6,664,172)	(5,991,888)	(5,177,230)	(9,883,008)	(61,583,881)
Changes in Market Value of Fund Shares	-	85,899,853	8,708,292	73,888,744	(291,777)	107,392	3,074,415	171,386,919
Market Value at June 30, 2007	\$ 19,294,029	\$ 648,161,836	\$ 504,377,242	\$ 395,757,866	\$ 45,355,169	\$ 467,388	\$ 103,900,601	\$ 1,717,314,131
Book Value at June 30, 2007	19,294,029	111,379,624	471,577,893	142,072,393	49,386,897	629,745	146,721,190	941,061,771
Shares Outstanding	19,294,029	597,299	4,403,925	894,432	823,069	8,520	1,841,289	27,862,563
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ 442.47	\$ 55.10	\$ 54.86	\$ 56.43	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY PENSION PLAN (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2007**

	CASH RESERVE FUND	MUTUAL EQUITY FUND	MUTUAL FIXED INCOME FUND	INTER- NATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTALS
Probate Court Retirement Fund								
Book Value at June 30, 2006	\$ 501,962	\$ 5,603,447	\$ 22,047,797	\$ 8,790,939	\$ 1,611,595	\$ 80,957	\$ 3,893,390	\$ 42,530,087
Market Value at June 30, 2006	\$ 501,962	\$ 28,941,681	\$ 23,853,283	\$ 20,040,632	\$ 1,392,813	\$ 63,889	\$ 2,526,973	\$ 77,321,233
Shares Purchased	5,390,144	-	1,550,000	-	1,174,192	-	2,647,631	10,761,967
Shares Redeemed	(4,901,519)	(327,634)	-	(4,760,532)	(175,000)	(34,231)	-	(10,198,916)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	270,912	-	2,786,788	(21,478)	(9,378)	-	3,026,844
Net Investment Income Earned	74,978	547,133	1,128,604	353,726	296,198	272,199	410,212	3,083,050
Net Investment Income Distributed	(74,978)	(547,133)	(1,128,604)	(353,726)	(296,198)	(272,199)	(410,212)	(3,083,050)
Changes in Market Value of Fund Shares	-	4,410,853	515,226	1,717,315	(45,660)	6,983	131,565	6,736,282
Market Value at June 30, 2007	\$ 990,587	\$ 33,295,812	\$ 25,918,509	\$ 19,784,203	\$ 2,324,867	\$ 27,263	\$ 5,306,169	\$ 87,647,410
Book Value at June 30, 2007	990,587	5,546,725	23,597,797	6,817,195	2,589,309	37,348	6,541,021	46,119,982
Shares Outstanding	990,587	30,683	226,305	44,713	42,190	497	94,034	1,429,009
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ 442.47	\$ 55.10	\$ 54.86	\$ 56.43	
Judges' Retirement Fund								
Book Value at June 30, 2006	\$ 1,313,786	\$ 12,509,595	\$ 61,194,126	\$ 13,989,626	\$ 2,630,547	\$ 134,155	\$ 13,207,245	\$ 104,979,080
Market Value at June 30, 2006	\$ 1,313,786	\$ 56,723,994	\$ 63,195,750	\$ 31,674,145	\$ 2,246,872	\$ 107,900	\$ 8,496,017	\$ 163,758,464
Shares Purchased	7,596,225	6,000,000	1,000,000	2,500,000	3,156,762	-	2,574,609	22,827,596
Shares Redeemed	(5,954,926)	(642,143)	(11,000,000)	(877,366)	(300,000)	(57,816)	-	(18,832,251)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	515,512	721,763	533,822	(31,861)	(14,457)	-	1,724,779
Net Investment Income Earned	91,129	1,088,445	2,852,383	669,875	589,206	543,440	995,870	6,830,348
Net Investment Income Distributed	(91,129)	(1,088,445)	(2,852,383)	(669,875)	(589,206)	(543,440)	(995,870)	(6,830,348)
Changes in Market Value of Fund Shares	-	8,744,098	834,354	8,105,616	(102,512)	10,412	276,997	17,868,965
Market Value at June 30, 2007	\$ 2,955,085	\$ 71,341,461	\$ 54,751,867	\$ 41,936,217	\$ 4,969,261	\$ 46,039	\$ 11,347,623	\$ 187,347,553
Book Value at June 30, 2007	2,955,085	18,382,964	51,915,889	16,146,082	5,455,448	61,882	15,781,854	110,699,204
Shares Outstanding	2,955,085	65,743	478,061	94,778	90,178	839	201,099	3,885,783
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ 442.47	\$ 55.10	\$ 54.86	\$ 56.43	
State's Attorneys' Retirement Fund								
Book Value at June 30, 2006	\$ 34,519	\$ 38,583	\$ 495,640	\$ -	\$ 5,035	\$ -	\$ -	\$ 573,777
Market Value at June 30, 2006	\$ 34,519	\$ 212,241	\$ 519,832	\$ -	\$ 4,688	\$ -	\$ -	\$ 771,280
Shares Purchased	57,671	-	2,400	-	6,914	-	-	66,985
Shares Redeemed	(6,462)	(2,403)	-	-	-	-	-	(8,865)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	2,012	-	-	-	-	-	2,012
Net Investment Income Earned	2,904	4,012	24,158	-	1,046	-	-	32,120
Net Investment Income Distributed	(2,904)	(4,012)	(24,158)	-	(1,046)	-	-	(32,120)
Changes in Market Value of Fund Shares	-	32,319	11,520	-	(220)	-	-	43,619
Market Value at June 30, 2007	\$ 85,728	\$ 244,169	\$ 533,752	\$ -	\$ 11,382	\$ -	\$ -	\$ 875,031
Book Value at June 30, 2007	85,728	38,192	498,040	-	11,949	-	-	633,909
Shares Outstanding	85,728	225	4,660	-	207	-	-	90,820
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ -	\$ 55.10	\$ -	\$ -	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST
FOR THE FISCAL YEAR ENDING JUNE 30, 2007**

	CASH RESERVE FUND	MUTUAL EQUITY FUND	MUTUAL FIXED INCOME FUND	INTER- NATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTALS
Soldiers' Sailors' & Marines' Fund								
Book Value at June 30, 2006	\$ 60,041	\$ 1,095,686	\$ 49,098,734	\$ -	\$ -	\$ -	\$ -	\$ 50,254,461
Market Value at June 30, 2006	\$ 60,041	\$ 6,405,069	\$ 52,953,061	\$ -	\$ -	\$ -	\$ -	\$ 59,418,171
Shares Purchased	2,584,108	-	72,000	-	-	-	-	2,656,108
Shares Redeemed	(2,583,599)	(72,509)	-	-	-	-	-	(2,656,108)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	61,417	-	-	-	-	-	61,417
Net Investment Income Earned	4,851	121,086	2,457,662	-	-	-	-	2,583,599
Net Investment Income Distributed	(4,851)	(121,086)	(2,457,662)	-	-	-	-	(2,583,599)
Changes in Market Value of Fund Shares	-	974,700	1,174,447	-	-	-	-	2,149,147
Market Value at June 30, 2007	\$ 60,550	\$ 7,368,677	\$ 54,199,508	\$ -	\$ -	\$ -	\$ -	\$ 61,628,735
Book Value at June 30, 2007	60,550	1,084,594	49,170,734	-	-	-	-	50,315,878
Shares Outstanding	60,550	6,790	473,238	-	-	-	-	540,578
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ -	\$ -	\$ -	\$ -	
Endowment for the Arts								
Book Value at June 30, 2006	\$ 933,034	\$ -	\$ 14,472,429	\$ -	\$ -	\$ -	\$ -	\$ 15,405,463
Market Value at June 30, 2006	\$ 933,034	\$ -	\$ 14,898,769	\$ -	\$ -	\$ -	\$ -	\$ 15,831,803
Shares Purchased	978,940	-	-	-	-	-	-	978,940
Shares Redeemed	(977,889)	-	-	-	-	-	-	(977,889)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	-	-	-	-	-	-	-
Net Investment Income Earned	42,881	-	691,107	-	-	-	-	733,988
Net Investment Income Distributed	(42,881)	-	(691,107)	-	-	-	-	(733,988)
Changes in Market Value of Fund Shares	-	-	330,548	-	-	-	-	330,548
Market Value at June 30, 2007	\$ 934,085	\$ -	\$ 15,229,317	\$ -	\$ -	\$ -	\$ -	\$ 16,163,402
Book Value at June 30, 2007	\$ 934,085	\$ -	\$ 14,472,429	\$ -	\$ -	\$ -	\$ -	\$ 15,406,514
Shares Outstanding	934,085	-	132,973	-	-	-	-	1,067,058
Market Value per Share	\$ 1.00	\$ -	\$ 114.53	\$ -	\$ -	\$ -	\$ -	
Agricultural College Fund								
Book Value at June 30, 2006	\$ 36,499	\$ 28,626	\$ 379,240	\$ -	\$ -	\$ -	\$ -	\$ 444,365
Market Value at June 30, 2006	\$ 36,499	\$ 170,965	\$ 399,145	\$ -	\$ -	\$ -	\$ -	\$ 606,609
Shares Purchased	23,431	-	16,900	-	-	-	-	40,331
Shares Redeemed	(22,202)	(16,935)	-	-	-	-	-	(39,137)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	14,455	-	-	-	-	-	14,455
Net Investment Income Earned	1,554	3,193	18,649	-	-	-	-	23,396
Net Investment Income Distributed	(1,554)	(3,193)	(18,649)	-	-	-	-	(23,396)
Changes in Market Value of Fund Shares	-	12,993	8,609	-	-	-	-	21,602
Market Value at June 30, 2007	\$ 37,728	\$ 181,478	\$ 424,654	\$ -	\$ -	\$ -	\$ -	\$ 643,860
Book Value at June 30, 2007	\$ 37,728	\$ 26,146	\$ 396,140	\$ -	\$ -	\$ -	\$ -	\$ 460,014
Shares Outstanding	37,728	167	3,708	-	-	-	-	41,603
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ -	\$ -	\$ -	\$ -	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2007**

	CASH RESERVE FUND	MUTUAL EQUITY FUND	MUTUAL FIXED INCOME FUND	INTER- NATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTALS
Ida Eaton Cotton Fund								
Book Value at June 30, 2006	\$ 122,160	\$ 98,432	\$ 1,281,206	\$ -	\$ -	\$ -	\$ -	1,501,798
Market Value at June 30, 2006	\$ 122,160	\$ 581,547	\$ 1,358,931	\$ -	\$ -	\$ -	\$ -	2,062,638
Shares Purchased	79,700	-	56,400	-	-	-	-	136,100
Shares Redeemed	(75,483)	(56,583)	-	-	-	-	-	(132,066)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	48,204	-	-	-	-	-	48,204
Net Investment Income Earned	5,178	10,860	63,479	-	-	-	-	79,517
Net Investment Income Distributed	(5,178)	(10,860)	(63,479)	-	-	-	-	(79,517)
Changes in Market Value of Fund Shares	-	45,174	29,327	-	-	-	-	74,501
Market Value at June 30, 2007	\$ 126,377	\$ 618,342	\$ 1,444,652	\$ -	\$ -	\$ -	\$ -	2,189,377
Book Value at June 30, 2007	\$ 126,377	\$ 90,053	\$ 1,337,606	\$ -	\$ -	\$ -	\$ -	1,554,036
Shares Outstanding	126,377	570	12,614	-	-	-	-	139,561
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ -	\$ -	\$ -	\$ -	-
Andrew Clark Fund								
Book Value at June 30, 2006	\$ 58,529	\$ 46,552	\$ 621,867	\$ -	\$ -	\$ -	\$ -	726,948
Market Value at June 30, 2006	\$ 58,529	\$ 273,485	\$ 638,144	\$ -	\$ -	\$ -	\$ -	970,158
Shares Purchased	37,510	-	28,000	-	-	-	-	65,510
Shares Redeemed	(35,499)	(28,096)	-	-	-	-	-	(63,595)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	23,912	-	-	-	-	-	23,912
Net Investment Income Earned	2,493	5,102	29,819	-	-	-	-	37,414
Net Investment Income Distributed	(2,493)	(5,102)	(29,819)	-	-	-	-	(37,414)
Changes in Market Value of Fund Shares	-	19,979	13,747	-	-	-	-	33,726
Market Value at June 30, 2007	\$ 60,540	\$ 289,280	\$ 679,891	\$ -	\$ -	\$ -	\$ -	1,029,711
Book Value at June 30, 2007	\$ 60,540	\$ 42,368	\$ 649,867	\$ -	\$ -	\$ -	\$ -	752,775
Shares Outstanding	60,540	267	5,936	-	-	-	-	66,743
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ -	\$ -	\$ -	\$ -	-
School Fund								
Book Value at June 30, 2006	\$ 324,851	\$ 444,960	\$ 5,902,966	\$ -	\$ -	\$ -	\$ -	6,672,777
Market Value at June 30, 2006	\$ 324,851	\$ 2,628,152	\$ 6,221,246	\$ -	\$ -	\$ -	\$ -	9,174,249
Shares Purchased	398,184	-	329,500	-	-	-	-	727,684
Shares Redeemed	(396,271)	(329,752)	-	-	-	-	-	(726,023)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	280,936	-	-	-	-	-	280,936
Net Investment Income Earned	22,478	48,881	291,075	-	-	-	-	362,434
Net Investment Income Distributed	(22,478)	(48,881)	(291,075)	-	-	-	-	(362,434)
Changes in Market Value of Fund Shares	-	140,027	133,140	-	-	-	-	273,167
Market Value at June 30, 2007	\$ 326,764	\$ 2,719,363	\$ 6,683,886	\$ -	\$ -	\$ -	\$ -	9,730,013
Book Value at June 30, 2007	\$ 326,764	\$ 396,144	\$ 6,232,466	\$ -	\$ -	\$ -	\$ -	6,955,373
Shares Outstanding	326,764	2,506	58,360	-	-	-	-	387,629
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ -	\$ -	\$ -	\$ -	-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**COMBINED INVESTMENT FUNDS
SCHEDULE OF INVESTMENT ACTIVITY BY TRUST (Continued)
FOR THE FISCAL YEAR ENDING JUNE 30, 2007**

	CASH RESERVE FUND	MUTUAL EQUITY FUND	MUTUAL FIXED INCOME FUND	INTER- NATIONAL STOCK FUND	REAL ESTATE FUND	COMMERCIAL MORTGAGE FUND	PRIVATE INVESTMENT FUND	TOTALS
Hopemead Fund								
Book Value at June 30, 2006	\$ 124,218	\$ 99,742	\$ 1,404,559	\$ -	\$ -	\$ -	\$ -	\$ 1,628,519
Market Value at June 30, 2006	\$ 124,218	\$ 584,936	\$ 1,452,939	\$ -	\$ -	\$ -	\$ -	\$ 2,162,093
Shares Purchased	86,662	-	156,500	-	-	-	-	243,162
Shares Redeemed	(139,152)	(16,622)	-	-	-	-	-	(155,774)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	14,124	-	-	-	-	-	14,124
Net Investment Income Earned	7,869	11,031	68,490	-	-	-	-	87,390
Net Investment Income Distributed	(7,869)	(11,031)	(68,490)	-	-	-	-	(87,390)
Changes in Market Value of Fund Shares	-	80,358	29,836	-	-	-	-	110,194
Market Value at June 30, 2007	\$ 71,728	\$ 662,796	\$ 1,639,275	\$ -	\$ -	\$ -	\$ -	\$ 2,373,799
Book Value at June 30, 2007	\$ 71,728	\$ 97,244	\$ 1,561,059	\$ -	\$ -	\$ -	\$ -	\$ 1,730,031
Shares Outstanding	71,728	611	14,313	-	-	-	-	86,652
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ -	\$ -	\$ -	\$ -	-
Police & Fireman's Survivors' Benefit Fund								
Book Value at June 30, 2006	\$ 148,111	\$ 6,852,676	\$ 10,588,231	\$ -	\$ 376,665	\$ 18,772	\$ -	\$ 17,984,455
Market Value at June 30, 2006	\$ 148,111	\$ 8,618,102	\$ 10,493,645	\$ -	\$ 360,337	\$ 14,455	\$ -	\$ 19,634,650
Shares Purchased	747,558	-	95,000	-	198,084	-	-	1,040,642
Shares Redeemed	(404,123)	(245,888)	-	-	(25,000)	(7,747)	-	(682,758)
Returns of Capital	-	-	-	-	-	-	-	-
Gain/(Loss) on Shares Redeemed	-	60,188	-	-	(1,167)	(2,369)	-	56,652
Net Investment Income Earned	15,955	197,272	451,656	-	78,421	928	152	744,384
Net Investment Income Distributed	(15,955)	(197,272)	(451,656)	-	(78,421)	(928)	(152)	(744,384)
Changes in Market Value of Fund Shares	-	1,312,217	232,309	-	(14,059)	1,826	-	1,532,293
Market Value at June 30, 2007	\$ 491,546	\$ 9,744,619	\$ 10,820,954	\$ -	\$ 518,195	\$ 6,165	\$ -	\$ 21,581,479
Book Value at June 30, 2007	491,546	6,666,976	10,683,231	-	548,582	8,656	-	18,398,991
Shares Outstanding	491,546	8,980	94,482	-	9,404	112	-	604,524
Market Value per Share	\$ 1.00	\$ 1,085.16	\$ 114.53	\$ -	\$ 55.10	\$ 54.86	\$ -	-

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT
JUNE 30, 2007**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
CASH RESERVE ACCOUNT (CRA)			
State Street Global Advisors	Active	\$ 2,349,185,312	100.00%
SUBTOTAL CRA		\$ 2,349,185,312	100.00%
MUTUAL EQUITY FUND (MEF)			
Large Cap		\$ 7,602,620,097	77.44%
BGI Barclays Global Investors, N.A.	Passive - Enhanced	4,259,754,445	43.39%
State Street Global Advisors	Passive - Indexed	3,342,865,652	34.05%
Large Cap		271,304,820	2.76%
Capital Prospects	Active	135,574,199	1.38%
FIS Group, Inc.	Active	135,730,621	1.38%
Small/Mid Cap		1,090,141,967	11.10%
AXA Rosenberg Investment Management	Passive-Enhanced	1,090,141,967	11.10%
Small/Mid Cap		834,315,267	8.50%
TCW Cowen Asset Management	Active	707,162,220	7.20%
Bivium	Active	127,153,047	1.30%
Other ⁽¹⁾		19,704,034	0.20%
SUBTOTAL MEF		\$ 9,818,086,185	100.00%
INTERNATIONAL STOCK FUND (ISF)			
Index		\$ 676,091,354	11.23%
State Street Global Advisors	Index-Passive	676,091,354	11.23%
Core		1,420,550,199	23.59%
Invesco Global Asset Mgmt.	Active	340,442,677	5.65%
AQR Capital Management	Active	351,132,855	5.83%
Acadian Asset Management	Active	356,068,642	5.91%
Julius Baer Investment Management	Active	284,601,180	4.73%
Progress	Active	88,304,845	1.47%
Active-Growth		760,046,640	12.63%
Clay Finlay, Inc.	Active	381,457,221	6.34%
MFS Institutional Advisors, Inc.	Active	378,589,419	6.29%
Active-Value		732,417,295	12.16%
Grantham, Mayo, Van Otterloo	Active	732,417,295	12.16%
Small Cap		352,673,013	5.86%
Schroder Investment Mgmt.	Active	352,673,013	5.86%
Emerging		1,315,211,735	21.85%
Grantham, Mayo, Van Otterloo	Active	693,418,946	11.52%
Emerging Markets Management	Active	621,792,789	10.33%
Risk Controlled		700,893,905	11.64%
Merrill Lynch Investment	Active	352,053,489	5.85%
Fidelity Management Trust Co.	Active	348,840,416	5.79%
Other ⁽¹⁾		62,866,437	1.04%
SUBTOTAL ISF		\$ 6,020,750,578	100.00%
REAL ESTATE FUND (REF)			
AEW Capital Management	Active	\$ 20,388,381	2.97%
AEW Core	Active	134,741,546	19.65%
Westport Senior Living	Active	58,609,060	8.55%
Walton Street Real Estate	Active	51,524,546	7.51%
Apollo Real Estate	Active	40,441,079	5.90%
Rockwood Capital Fund V	Active	23,159,813	3.38%
Rockwood Capital VII Limited Partnership	Active	25,992,534	3.79%
Rockwood Capital VI Limited Partnership	Active	14,082,233	2.05%
Capri Select Income II LLC	Active	25,733,848	3.75%
Starwood Opportunity Fund VII	Active	38,091,196	5.56%
New Boston Fund	Active	7,147,382	1.04%
RLJ Urban Lodging Fund	Active	14,259,036	2.08%
RLJ Urban Lodging Fund II	Active	31,964,425	4.66%
Canyon Johnson Urban Fund II	Active	19,195,566	2.80%
Covenant Apartment Fund V LP	Active	15,000,000	2.19%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2007**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
Macfarlane Urban Real Estate Fund II LP	Active	(653,571)	-0.09%
Cigna Realty Investors	Active	966	0.00%
Urban Strategy America Fund LP	Active	11,892,712	1.73%
Other ⁽¹⁾	Active	154,118,360	22.48%
SUBTOTAL REF		\$ 685,689,112	100.00%
MUTUAL FIXED INCOME FUND (MFIF)			
Core		\$ 5,469,988,422	72.03%
State Street Global Advisors	Passive	1,521,904,665	20.04%
BlackRock Financial Management, Inc.	Active	1,236,343,626	16.28%
Wellington	Active	976,593,069	12.86%
Western Asset Management Co.	Active	1,170,103,001	15.41%
Phoenix	Active	483,074,069	6.36%
Progress	Active	81,969,992	1.08%
High Yield		628,347,585	8.27%
Loomis Sayles & Co., Inc.	Active	402,817,648	5.30%
Oaktree Capital Management, L.L.C.	Active	225,529,937	2.97%
Emerging Market Debt		318,250,844	4.19%
Ashmore	Active	208,014,620	2.74%
Bridgewater	Active	110,236,224	1.45%
Inflation Linked Bonds		255,347,701	3.37%
Brown Brothers Harriman	Active	137,170,597	1.81%
Hartford Investment Mgmt Co.	Active	118,177,104	1.56%
Other ⁽¹⁾		921,602,325	12.14%
SUBTOTAL MFIF		\$ 7,593,536,877	100.00%
COMMERCIAL MORTGAGE FUND (CMF)			
AEW Capital Management	Active	\$ 7,262,826	93.50%
Other ⁽²⁾		504,655	6.50%
SUBTOTAL CMF		\$ 7,767,481	100.00%
PRIVATE INVESTMENT FUND (PIF)			
Buyout		\$ 608,418,435	38.91%
KKR Millennium Fund	Active	109,499,590	7.00%
Hicks, Muse Tate & Furst Equity Fund III	Active	35,339,653	2.26%
Thomas H. Lee Equity Fund IV	Active	11,127,520	0.71%
Welsh Carson Anderson & Stowe VIII	Active	32,182,033	2.06%
Wellspring Capital Partners III	Active	54,996,462	3.52%
SCP Private Equity Partners	Active	17,591,828	1.13%
Charterhouse Equity Partners IV	Active	62,369,264	3.99%
Forstmann Little Equity Fund VI	Active	14,593,397	0.93%
DLJ Merchant Banking Fund II	Active	21,661,047	1.39%
KKR 1996 Fund	Active	14,619,101	0.93%
FS Equity Partners V	Active	49,219,971	3.15%
Blackstone Capital Partners III	Active	9,832,835	0.63%
Thayer Equity Investors IV	Active	17,635,855	1.13%
Kelso Investment Associates VI	Active	12,831,278	0.82%
Green Equity Investors III	Active	6,323,758	0.40%
Wellspring Capital Partners II	Active	2,240,444	0.14%
Veritas Capital Fund	Active	1,163,439	0.07%
AIG Healthcare Partners LP	Active	25,934,315	1.66%
Welsh Carson Anderson & Stowe X LP	Active	51,218,843	3.28%
Court Square Capital Partners II	Active	22,915,271	1.47%
Ethos Private Equity Fund V	Active	10,492,558	0.67%
Boston Ventures V	Active	17,079,055	1.09%
KKR 2006 Fund LP	Active	2,724,000	0.17%
Nogales Investors Fund II	Active	238,672	0.02%
ICV Partners II LP	Active	4,588,246	0.29%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

**LIST OF INVESTMENT ADVISORS AND NET ASSETS UNDER MANAGEMENT (Continued)
JUNE 30, 2007**

Name of Fund	Investment Strategy	Net Assets Under Management	Percent of Fund Total
Venture Capital		55,193,662	3.53%
RFE Investment Partners VI	Active	9,393,325	0.60%
Conning Capital Partners V	Active	6,412,061	0.41%
Crescendo World Fund	Active	17,036,298	1.09%
Grotech Partners V	Active	11,531,153	0.74%
Shawmut Equity Partners	Active	6,935,832	0.44%
Crescendo III	Active	2,049,306	0.13%
Syndicated Communications Venture Partners V	Active	1,735,475	0.11%
Connecticut Futures Fund	Active	100,212	0.01%
Mezzanine		37,975,412	2.43%
SW Pelham Fund	Active	4,844,423	0.31%
GarMark Partners	Active	8,315,897	0.53%
GarMark Partners II LP	Active	11,851,616	0.76%
SW Pelham Fund II	Active	12,963,476	0.83%
International		196,821,348	12.59%
Compass Partners European Equity Fund	Active	88,634,198	5.67%
Gilbert Global Equity Partners	Active	33,372,630	2.13%
Carlyle Europe Partners	Active	26,460,227	1.69%
AIG Global Emerging Markets Fund	Active	23,547,052	1.51%
Carlyle Asia Partners	Active	24,807,241	1.59%
Fund of Funds		439,703,626	28.12%
The Constitution Liquidating Fund	Active	253,068,112	16.18%
Landmark Private Equity Fund VIII	Active	47,977,622	3.07%
Goldman Sachs Private Equity Partners Connecticut	Active	19,067,645	1.22%
Lexington Capital Partners II	Active	8,608,860	0.55%
Parish Capital I LP	Active	21,232,575	1.36%
Parish Capital Buyout Fund II	Active	46,136,618	2.95%
Fairview Constitution II LP	Active	43,612,194	2.79%
Special Situations		71,165,095	4.55%
Welsh Carson Anderson & Stowe Capital Partners III	Active	41,869,277	2.68%
Greenwich Street Capital Partners II	Active	10,027,412	0.64%
Forstmann Little MBO VII	Active	10,073,222	0.64%
KPS Special Situations Fund II	Active	9,195,184	0.59%
Other ⁽¹⁾		154,343,657	9.87%
SUBTOTAL PIF		\$ 1,563,621,235	100.00%
TOTAL		\$ 28,038,636,780	
Adjustments ⁽³⁾		(2,110,345,847)	
GRAND TOTAL		\$ 25,928,290,933	

(1) Other represents moneys earmarked for distribution to participants, reinvestment, and expenses as well as terminated advisor balances, Currency Overlay Managers (Bank of New York and Bridgewater), CT Financial Development Fund, Keystone Venture V Partnerships and GarMark Partners II LP.

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

(3) Represents Elimination Entry to the Financial Statements to account for investment of Combined Investment Funds in CRA.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SCHEDULE OF CONSULTING SERVICES IN EXCESS OF \$5,000⁽¹⁾ FOR PERIODS ENDED JUNE 30

Name of Firm	Description of Services	Aggregate Compensation Paid in Fiscal Year:				
		2007	2006	2005	2004	2003
CONSULTING SERVICES						
Alignment Capital Management	Private Equity Consultant	227,147	325,000	300,000	-	-
Callan Associates	Pension Funds Consultant	-	-	95,000	-	-
CRA RogersCasey Consulting Inc.	Pension Funds Consultant	401,495	519,885	547,890	480,663	576,576
Franklin Park Associates LLC	Private Equity Consultant	905,569	863,056	647,154	-	-
FTI Consulting, Inc.	Pension Funds Consultant	-	19,372	151,256	-	-
Greystone Capital Management	Pension Funds Consultant	-	-	7,040	16,280	10,230
Invesco Private Capital (Sovereign)	Pension Funds Consultant	-	-	1,026,564	1,153,486	978,286
Pension Consulting Alliance	Pension Funds Consultant	202,768	196,851	196,242	260,136	138,098
TOTAL CONSULTING SERVICES COMPENSATION		\$1,736,979	\$1,924,164	\$2,971,146	\$1,910,565	\$1,703,190

(1) Expenses are presented on a cash basis.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2007*

MUTUAL EQUITY FUND

Security Name	Industry Sector	Market Value	%
Exxon Mobil Corp	Energy	\$ 319,049,659	3.25%
Microsoft	Technology	188,642,126	1.92%
General Electric	Technology	186,511,759	1.90%
Bank America Corp	Financial	168,768,476	1.72%
Pfizer Inc	Health Care	147,809,558	1.51%
Cisco Systems Inc	Technology	145,826,889	1.49%
J P Morgan Chase & Co	Financial	138,976,451	1.42%
ConocoPhillips	Energy	122,188,076	1.24%
Verizon Communications	Telecommunication	115,426,641	1.18%
Altria Group Inc	Consumer Staples	114,028,913	1.16%
Top Ten		1,647,228,548	16.79%
Total Market Value		\$9,810,773,724	

INTERNATIONAL STOCK FUND

Security Name	Country	Market Value	%
Total SA Eur 2.5 Post Division	France	\$ 83,827,630	1.41%
Vodafone Group ORD USD 0.11428571	United Kingdom	76,005,235	1.28%
Samsung Electronic KRW 5000	Republic of Korea	62,688,222	1.06%
Glaxosmithkline ORD GBP .25	United Kingdom	62,463,517	1.05%
ING Groep NV CVA Euro .24	Netherlands	59,495,481	1.00%
Nestle SA	Switzerland	54,875,150	0.92%
ENI Eur 1	Italy	48,555,140	0.82%
Toyota Motor Corp JPY50	Japan	44,019,677	0.74%
Royal BK Scot GRP Ord GBP .25	United Kingdom	43,332,695	0.73%
Roche Holdings AG NPV	Switzerland	42,015,353	0.71%
Top Ten		577,278,100	9.72%
Total Market Value		\$5,940,213,814	

REAL ESTATE FUND

Property Name	Location	Property Type	Market Value	%
Westport Senior Living Inv FD	Various	Senior Living	\$ 58,609,060	8.56%
Walton Street RE II LP Fnd 2	Various	Various	51,524,546	7.52%
Rio Hill Shopping Center	Virginia	Retail	47,426,241	6.93%
Apollo Real Est Invest Fd III	Various	Various	40,441,079	5.90%
Starwood Opportunity Fund VII	Various	Various	38,091,196	5.56%
The Glen at Lafayette Hill	Pennsylvania	Apartment	32,270,431	4.71%
RLJ Urban Lodging Fund II	Various	Hotel	31,964,425	4.67%
Rocky Creek Apartments	Florida	Apartment	30,595,941	4.47%
Rockwood Capital RE Fund VII	Various	Various	25,992,534	3.80%
Capri Select Income II	Various	Various	25,733,848	3.76%
Top Ten			382,649,301	55.88%
Total Market Value			\$ 684,741,163	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

TOP TEN HOLDINGS BY FUND AT JUNE 30, 2007* (Continued)

MUTUAL FIXED INCOME FUND

Security Name	Coupon	Maturity	Security Type	Market Value	%
FNMA TBA	5.00%	12/01/2037	U.S. Govt Agency	\$ 171,792,513	2.01%
FNMA TBA	5.50%	12/01/2037	U.S. Govt Agency	142,351,576	1.67%
FNMA TBA	5.00%	12/01/2037	U.S. Govt Agency	137,801,536	1.61%
FNMA TBA	6.00%	12/01/2037	U.S. Govt Agency	135,490,863	1.59%
U.S. Treasury Notes	4.50%	04/30/2012	U.S. Govt Agency	94,475,391	1.11%
U.S. Treasury Notes	4.50%	05/15/2017	U.S. Govt Agency	80,427,299	0.94%
U.S. Treasury Notes	5.125%	05/15/2016	U.S. Govt Agency	70,965,988	0.83%
GNMA I TBA	6.00%	12/01/2037	U.S. Govt Agency	56,986,638	0.67%
U.S. Treasury Bonds	8.75%	05/15/2017	U.S. Govt Agency	55,148,995	0.64%
FNMA Pool 735989	5.50%	02/01/2035	U.S. Govt Agency	53,657,688	0.63%
Top Ten				999,098,487	11.70%
Total Market Value				\$8,537,943,917	

COMMERCIAL MORTGAGE FUND

Property Name	Location	Property Type	Market Value	%
SASCO	Various	Other	\$ 7,262,768	93.55%
Yankee Mac Series E 11.056%	Various	Residential	159,574	2.05%
Yankee Mac Series G 11.125%	Various	Residential	122,371	1.58%
Yankee Mac Series F 12.981%	Various	Residential	65,094	0.84%
Yankee Mac Series A 13.075%	Various	Residential	12,492	0.16%
Top Five			7,622,299	98.18%
Total Market Value			\$ 7,763,461	

PRIVATE INVESTMENT FUND

Partnership Name	Partnership Type	Market Value	%
Constitution Liquidating Fund	Fund of Funds	\$ 253,068,112	16.26%
KKR Millennium Fund	Buyout	109,499,590	7.03%
Compass Partners European Equity Fund	International	88,634,198	5.69%
Charterhouse Equity Partners IV	Buyout	62,369,264	4.01%
Wellspring Capital Partners III	Buyout	54,996,462	3.53%
Welsh Carson Anderson & Stowe X L.P.	Buyout	51,218,843	3.29%
FS Capital Partners V	Buyout	49,219,971	3.16%
Landmark Private Equity Fund VIII	Fund of Funds	47,977,622	3.08%
Parish Capital II	Fund of Funds	46,136,618	2.97%
Fairview Constitution II	Fund of Funds	43,612,194	2.80%
Top Ten		806,732,874	51.82%
Total Market Value		\$1,556,795,484	

GLOSSARY OF INVESTMENT TERMS

- Agency Securities** – Securities, usually bonds, issued by U.S. Government agencies. These securities have high credit ratings but are not backed by the full faith and credit of the U.S. Government.
- Alpha** - A coefficient which measures risk-adjusted performance, factoring in the risk due to the specific security, rather than the overall market. A high value for alpha implies that the stock or mutual fund has performed better than would have been expected given its beta (volatility).
- Asset** - Anything owned that has economic value; any interest in property, tangible or intangible, that can be used for payment of debts.
- Asset Backed Security**- Bonds or notes collateralized by one or more types of assets including real property, mortgages, and receivables.
- Banker's Acceptance (BA)** - A high-quality, short-term negotiable discount note, drawn on and accepted by banks which are obligated to pay the face amount at maturity.
- Basis Point (bp)** - The smallest measure used in quoting yields or returns. One basis point is 0.01% of yield, 100 basis points equals 1%. For example, a yield that changed from 8.75% to 9.50% has increased by 75 basis points.
- Benchmark** - A standard unit used as the basis of comparison; a universal unit that is identified with sufficient detail so that other similar classifications can be compared as being above, below, or comparable to the benchmark.
- Beta** - A quantitative measure of the volatility of a given stock, mutual fund or portfolio relative to the overall market.
- Book Value (BV)** - The value of individual assets, calculated as actual cost minus accumulated depreciation. Book value may be more or less than current market value.
- Capital Gain (Loss)** - Also known as capital appreciation (depreciation), capital gain (loss) measures the increase (decrease) in value of an asset over time.
- Certificates of Deposit (CDs)** - A debt instrument issued by banks, usually paying interest, with maturities ranging from 3 months to six years.
- Citigroup Broad Investment-Grade Bond Index (CBIG)** - A market value-weighted index composed of over 4,000 individually priced securities with a quality rating of at least BBB. Each issue has a minimum maturity of one year with an outstanding par amount of at least \$25 million.
- Citigroup World Government Bond Index Non-U.S. (CWGBI)** - An unhedged index measuring government issues of 12 major industrialized countries.
- Coefficient of Determination (R^2)** - A statistic which indicates the amount of variability in a dependent variable, such as Fund returns, which may be explained by an independent variable, such as market returns, in a regression model. The coefficient of determination is denoted R^2 and ranges from 0 to 1.0. If the statistic measures 0, the independent variable offers no explanation of the dependent variable. If the statistic measures 1.0, the independent variable fully explains the dependent variable.
- Collateral** – Assets pledged by a borrower to secure a loan or other credit, and subject to seizure in the event of default.
- Collateralized Mortgage Obligation (CMO)** – A mortgage-backed, investment-grade bond that separates mortgage pools into different maturity classes. CMO payment obligations are backed by mortgage-backed securities with a fixed maturity.
- Commercial Paper** - Short-term obligations with maturities ranging from 2 to 270 days. An unsecured obligation issued by a corporation or bank to finance its short-term credit needs.
- Compounded Annual Total Return** - Compounded annual total return measures the implicit annual percentage change in value of an investment, assuming reinvestment of dividends, interest, and realized capital gains, including those attributable to currency fluctuations. In effect, compounded annual total return “smoothes” fluctuations in long-term investment returns to derive an implied year-to-year annual return.
- Consumer Price Index (CPI)** - A measure of change in the cost of a fixed basket of products and services as determined by a monthly survey of the U.S. Bureau of Labor Statistics. Components of the CPI include housing costs, food, transportation, and electricity.
- Cumulative Rate of Return** - A measure of the total return earned for a particular time period. This calculation measures the absolute percentage change in value of an investment over a specified period, assuming reinvestment of dividends, interest income, and realized capital gains. For example, if a \$100 investment grew to \$120 in a two-year period, the cumulative rate of return would be 20%.
- Current Yield** - The relationship between the stated annual interest or dividend rate and the market price of a security. In calculating current yield, only income payments are considered; no consideration is given to capital gain/loss.
- Derivative** - Derivatives are generally defined as contracts whose value depend on, or derived from, the value of an underlying asset, reference rate, or index. For example, an option is a derivative instrument because its value derives from an underlying stock, stock index, or future.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

GLOSSARY OF INVESTMENT TERMS (Continued)

- 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.
- Duration** - A measure of the average time to receipt of all bond cash flows. Duration is used to determine the percentage change in price of a fixed income security for a given change in the security's yield to maturity. Duration is stated in terms of time periods, generally years. (See Modified and Macaulay duration).
- Equity** - The ownership interest possessed by shareholders in a corporation in the form of common stock or preferred stock.
- ERISA (Employee Retirement Income Security Act)** - The 1974 federal law which established legal guidelines for private pension plan administration and investment practices.
- Expense Ratio** – Operating costs (including management fees) expressed as a percentage of the fund's average net assets for a given time period.
- Fair Value** - The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- Federal Funds Rate** - The interest rate that banks charge each other for the use of Federal Funds. This rate changes daily and is a sensitive indicator of general interest rate trends.
- Federal Reserve Board** – The 7- member Board of Governors that oversees Federal Reserve Banks, establishes monetary policy and monitors the economic health of the economy.
- Fiduciary** - A person, company, or association holding assets in trust for a beneficiary. The fiduciary is charged with the responsibility to invest the money prudently for the beneficiary's benefit.
- Fitch Investor Services** - A financial services rating agency.
- Floating Rate Note** - A fixed principal instrument which has a long or even indefinite life and whose yield is periodically reset relative to a reference index rate to reflect changes in short- or intermediate-term interest rates.
- Gross Domestic Product** - Total final value of goods and services produced in the United States over a particular period or time, usually one year. The GDP growth rate is the primary indicator of the health of the economy.
- Hedge** - An investment in assets which serves to reduce the risk of adverse price movements in a security, by taking an offsetting position in a related security, such as an option or short sale.
- Index** - A benchmark used in executing investment strategy which is viewed as an independent representation of market performance. Example: S&P 500 index.
- Index Fund** – A passively managed fund that tries to mirror the performance of a specific index, such as the S&P 500.
- Inflation** – The overall general upward price movement of goods and services in an economy, usually as measured by the Consumer Price Index and the Producer Price Index.
- Investment Income** - The equity dividends, bond interest, and/or cash interest paid on an investment.
- J-Curve** - An economic theory stating that a policy designed to have one effect will initially have the opposite effect. With regard to closed end commingled fund investments, this generally refers to the impact on returns of contributions made in the early portion of a fund's existence. Invested capital is used to pay fees and organizational costs as well as to make investments in non-income producing enterprises. Such uses negatively impact returns in early periods but are expected to generate increasing income and valuations in the late periods as the previously non-income producing entities start producing income and the relative size of fees and other costs diminish relative to the value of invested capital.
- JP Morgan Emerging Markets Bond Index Plus (EMBI+)** - An index which tracks total returns for traded external debt instruments in the emerging markets. The instruments include external-currency-denominated Brady bonds, loans and Eurobonds, as well as U.S. dollar local markets instruments. The EMBI+ expands upon Morgan's original Emerging Markets Bond Index, which was introduced in 1992 and covers only Brady bonds.
- LB Aggregate Index** - An index made up of Government, Corporate, Mortgage Backed, and Asset Backed securities, all rated investment grade. Returns are market value weighted inclusive of interest. Issues must have at least one year to maturity and an outstanding par value of at least \$200 million.
- Letter of Credit** - An instrument or document issued by a bank, guaranteeing the payment of a customer's drafts up to a stated amount for a specified period. It substitutes the bank's credit for the buyer's and eliminates the seller's risk.
- Liability** - The claim on the assets of a company or individual - excluding ownership equity. An obligation that legally binds an individual or company to settle a debt.
- Leverage** - The use of borrowed funds to increase purchasing power and, ideally, to increase profitability of an investment transaction or business.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

GLOSSARY OF INVESTMENT TERMS (Continued)

- Macaulay Duration** - The weighted-average term to maturity of a bond's cash flows. The weighting is based on the present value of each cash flow divided by price.
- Market Value** - A security's last reported sale price or its current bid and ask prices. The price as determined dynamically by buyers and sellers in an open market.
- Master Custodian** - An entity, usually a bank, used for safekeeping of securities and other assets. Responsible for other functions including accounting, performance measurement and securities lending.
- Maturity Date** - The date on which the principal amount of a bond or other debt instrument becomes payable or due.
- Mezzanine Debt** - Debt that incorporates equity-based options, such as warrants, with a lower-priority debt.
- MFR Index (iMoneyNet's First Tier Institutional-only Rated Money Fund Report AveragesTM Index)** - An index which represents an average of the returns of institutional money market mutual funds that invest primarily in first-tier (securities rated A-1, P-1) taxable securities.
- Modified Duration** - A measure of the price sensitivity of a bond to interest rate movements. It is the primary basis for comparing the effect of interest rate changes on prices of fixed income securities.
- Money Market Fund** - An open-ended mutual fund that invests in commercial paper, bankers' acceptances, repurchase agreements, government securities, certificates of deposit, and other highly liquid and safe securities and pays money market rates of interest. The fund's net asset value remains a constant \$1 per share - only the interest rate goes up or down.
- Moody's (Moody's Investors Service)** - A financial services rating agency.
- MSCI-EAFE** - Morgan Stanley Europe Australasia Far East foreign equity index. An arithmetic value weighted average of the performance of over 900 securities on the stock exchanges of 21 countries on three continents. The index is calculated on a total return basis, which includes reinvestment of dividends net of withholding taxes.
- Net Asset Value (NAV)** - The total assets (including any valuation gains or losses on investments or currencies) minus total liabilities divided by shares outstanding.
- NCREIF (National Council of Real Estate Investment Fiduciaries)** - An index consisting of investment-grade, non-agricultural, income-producing properties: apartments, hotels, offices, and warehouses. Its return includes appreciation, realized capital gains, and income. It is computed by adding the income return and capital appreciation return generated by the properties in the index, on a quarterly basis.
- Par Value** - The stated or face value of a stock or bond. It has little significance for common stocks, however, for bonds it specifies the payment amount at maturity.
- Pension Fund** - A fund set up by a corporation, labor union, governmental entity, or other organization to pay the pension benefits of retired workers.
- Percentile** - A description of the percentage of the total universe in which portfolio performance is ranked.
- Price/Book (P/B)** - A ratio showing the price of a stock divided by its book value. The P/B measures the multiple at which the market is capitalizing the net asset value per share of a company at any given time.
- Price/Earnings (P/E)** - A ratio showing the price of a stock divided by its earnings per share. The P/E measures the multiple at which the market is capitalizing the earnings per share of a company at any given time.
- Present Value** - The current value of a future cash flow or series of cash flows discounted at an appropriate interest rate or rates. For example, at a 12% interest rate, the receipt of one dollar a year from now has a present value of \$0.89286.
- Principal** - Face value of an obligation, such as a bond or a loan, that must be repaid at maturity.
- Prudent Person Rule** - The standard adopted by some states to guide those fiduciaries with responsibility for investing money of others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investment.
- Realized Gain (Loss)** - A gain (loss) that has occurred financially. The difference between the principal amount received and the cost basis of an asset realized at sale.
- Relative Volatility** - The standard deviation of the Fund divided by the standard deviation of its selected benchmark. A relative volatility greater than 1.0 suggests comparatively more volatility in Fund returns than those of the benchmark.
- Repurchase Agreements ("Repos")** - A contract in which the seller of securities, such as Treasury Bills, agrees to buy them back at a specified time and price. Repos are widely used as a money market instrument.
- Reverse Repurchase Agreements ("Reverse Repos")** - A purchase of securities with an agreement to resell them at a higher price at a specific future date.
- Return on Equity (ROE)** - The net income for the accounting period after payment of preferred stock dividends and before payment of common stock dividends of a company divided by the common stock equity at the beginning of the accounting period.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

GLOSSARY OF INVESTMENT TERMS (Continued)

- Risk Adjusted Return** - A modified (usually reduced) return which accounts for the cost of a specific investment exposure as well as the aggregate risk of such exposure.
- Russell 3000** - An equity index comprised of the securities of the 3,000 largest public U.S. companies as determined by total market capitalization. This index represents approximately 98% of the U.S. equity market's capitalization.
- Securities Lending** - A carefully collateralized process of loaning portfolio positions to custodians, dealers, and short sellers who must make physical delivery of positions. Securities lending can reduce custody costs or enhance annual returns by a full percentage point or more in certain market environments.
- Soft Dollars** - The value of research or other services that brokerage houses and other service entities provide to a client "free of charge" in exchange for the client's brokerage.
- S&P 500 (Standard & Poor's)** - A basket of 500 stocks considered to be widely held. The performance of this index is thought to be representative of the stock market as a whole. The index selects its constituents based upon their market size, liquidity and sector. S&P 500 stocks are considered to be the leading large (to mid) cap corporations in a given sector.
- S&P Credit Ratings Service** - A financial services rating agency.
- Standard Deviation** - A statistical measure showing the deviation of an individual value in a probability distributed from the mean (average) of the distribution. The greater the degree of dispersion from the mean rate of return, the higher the standard deviation; therefore, the higher the risk.
- Total Fund Benchmark** - A hybrid benchmark customized to reflect the CRPTF's asset allocation and performance objectives. This benchmark is comprised of 36% Russell 3000 Index; 18% International Stock Fund benchmark; 29% Mutual Fixed Income benchmark; 5% Russell 3000 Index; 11% S&P 500 Index; and 1% MFR First Tier Rated Index. The International Stock Fund benchmark is comprised of 83% Citigroup Europe, Pacific, Asia Composite Broad Market Index (50% Hedged) and 17% MSCI Emerging Market Free Index. The Mutual Fixed Income benchmark consists of 73% Lehman Brothers U. S. Aggregate Index, 17% S&P/Citigroup High Yield Market Index, and 10% JPM Emerging Markets Bond Index.
- Treasury Bill (T-Bill)** - Short-term, highly liquid government securities issued at a discount from the face value and returning the face amount at maturity.
- Treasury Bond or Note** - Debt obligations of the Federal government that make semiannual coupon payments and are sold at or near par value in denominations of \$1,000 or more.
- Trust** - A fiduciary relationship in which a person, called a trustee, holds title to property for the benefit of another person, called a beneficiary.
- TUCS** - Trust Universe Comparison Service. TUCS is based upon a pooling of quarterly trust accounting data from participating banks and other organizations that provide custody for trust assets.
- Turnover** - Security purchases or sales divided by the fiscal year's beginning and ending market values for a given portfolio.
- Unrealized Gain (Loss)** - A profit (loss) that has not been realized through the sale of a security. The gain (loss) is realized when a security or futures contract is actually sold or settled.
- Variable Rate Note** - Floating rate notes with a coupon rate adjusted at set intervals, such as daily, weekly, or monthly, based on different interest rate indices, such as LIBOR, Fed Funds, and Treasury Bills.
- Volatility** - A statistical measure of the tendency of a market price or yield to vary over time. Volatility is said to be high if the price, yield, or return typically changes dramatically in a short period of time.
- Yield** - The return on an investor's capital investment.
- Yield Curve** - A graph showing the term structure of interest rates by plotting the yields of all bonds of the same quality with maturities ranging from the shortest to the longest possible. The Y-axis represents the interest rate and the X-axis represents time, generally with a normal curve that is convex in shape.
- Zero Coupon Bond** - A bond paying no interest that sells at a discount and returns principal only at maturity.

Introduction

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

Understanding Performance

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

To bring accountability and perspective to Fund performance and measurements of risk and return, The Connecticut Retirement Plans and Trust Funds are compared to those of similarly structured peer groups and indices. These comparisons enable plan participants, the Treasurer and the Investment Advisory Council, to determine whether and by how much Fund returns exceeded or fell short of the benchmarks. Each Fund's benchmark is selected on the basis of portfolio composition, investment style, and objectives.

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 average age of plan participants is relatively low and requires 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 broader 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 the long-term periods.

Risk

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

Risk can take several forms and include: market risk, the risk of fluctuations in the overall market for securities; company risk, the risk of investing in any single company's stock or bonds; currency-exchange risk, the risk that a foreign country's currency may appreciate or depreciate relative to the U.S. dollar, thus impacting the value of foreign investments; and political risk, risk incurred through investing in foreign countries with volatile economies and political systems.

With respect to fixed income investments, investors also assume: reinvestment risk, the risk that cash flows received from a security will be reinvested at lower rates due to declining interest rates; credit or default risk, the risk that the issuer of a fixed income security may fail to make principal and interest payments on the security; interest rate risk, the risk that prices of fixed coupon bonds will decline in the event of rising market interest rates; and inflation or purchasing power risk, the risk that the real value of a security and its cash flows may be reduced by inflation. The level of risk incurred in fixed income investing increases as the investment time horizon is lengthened. This is demonstrated by the comparatively higher yields available on "long bonds," or bonds maturing in 20 to 30 years, versus those available on short-term fixed income securities.

In the alternative investment category, risks are significantly greater than those of publicly traded investments. Assessment of progress is more tenuous and valuation judgments are more complex. The investor assumes not only management, product, market, and operations risk, similar to equity investing, but also assumes liquidity risk, the risk that one's investment cannot be immediately liquidated at other than substantially discounted value.

UNDERSTANDING INVESTMENT PERFORMANCE

VOLATILITY

To measure the effects of risk on the portfolio, the volatility of returns is calculated over time. Volatility, viewed as deviation of returns from an average of these returns over time, is measured statistically by standard deviation. Standard deviation is one of the most widely accepted and descriptive risk measures used by investment professionals today. Funds with high standard deviations are considered riskier than those with low standard deviations.

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

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

To measure the degree of correlation between Fund returns and the benchmark, the Division calculates the coefficient of determination, or R². This calculation, which is used in conjunction with beta, allows one to evaluate how much of the volatility in Fund returns is explained by returns in the selected market benchmark. An R² of 1.0 indicates that Fund returns are perfectly explained by returns of the benchmark, while a value less than 1.0 indicates that the returns of the benchmark explain only a portion of the fund return.

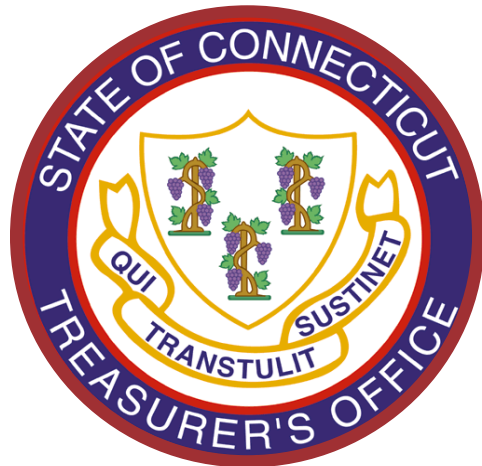
Finally, to evaluate how well each of the above measures actually predicted returns of the Fund, a calculation is performed on the Fund's alpha. This calculation measures the absolute difference between the Fund's monthly return and that predicted by its beta. Used together, these measures provide a comprehensive view of a Fund's relative risk profile.

RETURN

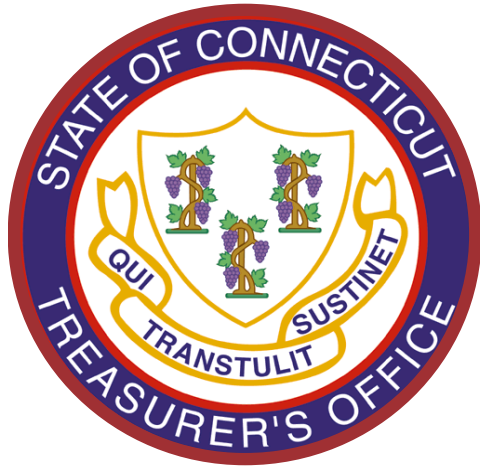
The Pension and Trust Funds are managed for maximum return with minimal risk. Return, viewed in this context, includes realized and unrealized gains in the market value of a security, including those attributable to currency fluctuations, as well as income distributed from a security such as dividends 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 those attributable to currency fluctuations. In effect, compounded annual total return "smooths" fluctuations in long-term investment returns to derive an implied year-to-year annual return.

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



Statistical
Section



CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS
STATISTICAL SECTION

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

Financial Trends

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

<u>Schedule</u>	<u>Page</u>
o Per share data	106
o Schedule of rates of return	106
o Schedule of financial ratios	106

Revenue Capacity

Revenue capacity is not applicable to CIF.

Borrowing Capacity

Borrowing capacity is not applicable to CIF.

Demographic and Economic Information

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

<u>Schedule</u>	<u>Page</u>
o Investment summary	107 - 109

Operating Information

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

<u>Schedule</u>	<u>Page</u>
o Schedule of Net Assets	110

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

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS

MUTUAL EQUITY

FISCAL YEAR ENDED JUNE 30,

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
PER SHARE DATA										
Net Asset Value- Beginning of Period	\$933.70	\$858.25	\$807.00	\$677.92	\$ 685.11	\$ 814.49	\$909.17	\$835.47	\$708.74	\$558.77
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	18.04	13.66	12.76	11.50	8.82	8.24	7.54	8.87	8.46	8.84
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	151.06	74.43	51.57	128.78	(7.59)	(130.49)	(93.84)	74.23	127.32	148.87
Total from Investment Operations	169.10	88.09	64.33	140.28	1.23	(122.25)	(86.30)	83.10	135.78	157.71
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(17.64)	(12.64)	(13.08)	(11.20)	(8.42)	(7.13)	(8.38)	(9.40)	(9.05)	(7.74)
Net Asset Value - End of Period	\$1,085.16	\$933.70	\$858.25	\$807.00	\$677.92	\$685.11	\$814.49	\$909.17	\$835.47	\$708.74
TOTAL RETURN	18.24%	10.27%	8.06%	20.84%	0.48%	-14.95%	-9.55%	10.03%	19.38%	28.40%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$9,818	\$8,982	\$8,275	\$7,781	\$6,599	\$6,677	\$7,931	\$8,853	\$9,124	\$7,736
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.12%	0.32%	0.30%	0.11%	0.23%	0.27%	0.38%	0.22%	0.27%	0.17%
Ratio of Expenses to Average Net Assets	0.75%	0.66%	0.44%	0.16%	0.28%	0.34%	0.58%	0.43%	0.57%	0.56%
Ratio of Net Investment Income (Loss) to Average Net Assets	1.83%	1.53%	1.53%	1.55%	1.29%	1.10%	0.88%	1.01%	1.10%	1.42%

INTERNATIONAL STOCK

FISCAL YEAR ENDED JUNE 30,

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
PER SHARE DATA										
Net Asset Value- Beginning of Period	\$347.57	\$282.09	\$241.09	\$188.61	\$206.47	\$232.07	\$271.68	\$228.93	\$217.03	\$216.52
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	9.09	7.91	5.73	4.50	3.60	3.24	4.50	3.26	5.29	3.54
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	92.81	64.29	40.22	51.38	(18.00)	(24.70)	(40.14)	42.68	9.34	(0.17)
Total from Investment Operations	101.90	72.20	45.95	55.88	(14.40)	(21.46)	(35.64)	45.94	14.63	3.37
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(7.00)	(6.72)	(4.95)	(3.40)	(3.46)	(4.14)	(3.97)	(3.19)	(2.73)	(2.86)
Net Asset Value - End of Period	\$442.47	\$347.57	\$282.09	\$241.09	\$188.61	\$206.47	\$232.07	\$271.68	\$228.93	\$217.03
TOTAL RETURN	29.65%	25.69%	19.23%	29.69%	-6.39%	-9.00%	-13.29%	20.13%	6.77%	1.52%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$6,021	\$5,357	\$4,489	\$4,003	\$2,034	\$2,227	\$2,503	\$2,930	\$2,469	\$2,438
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.52%	0.53%	0.60%	0.62%	0.61%	0.67%	0.40%	0.36%	0.24%	0.52%
Ratio of Expenses to Average Net Assets	1.19%	1.19%	0.92%	0.76%	0.77%	1.05%	1.44%	1.46%	1.27%	1.71%
Ratio of Net Investment Income (Loss) to Average Net Assets	2.42%	2.51%	2.25%	2.37%	1.82%	1.47%	1.79%	1.30%	1.98%	1.69%

COMMERCIAL MORTGAGE

FISCAL YEAR ENDED JUNE 30,

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
PER SHARE DATA										
Net Asset Value- Beginning of Period	\$59.31	\$58.76	\$62.75	\$73.39	\$67.71	\$72.91	\$73.17	\$74.97	\$77.12	\$72.87
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	4.18	5.41	6.13	6.63	8.39	6.58	6.89	6.98	6.24	8.33
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	(0.88)	(0.10)	(2.99)	(1.11)	4.68	(5.81)	0.52	(1.29)	(1.78)	5.01
Total from Investment Operations	3.30	5.31	3.14	5.52	13.07	0.77	7.41	5.69	4.46	13.34
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(7.75)	(4.76)	(7.13)	(16.16)	(7.39)	(5.97)	(7.67)	(7.49)	(6.61)	(9.09)
Net Asset Value - End of Period	\$54.86	\$59.31	\$58.76	\$62.75	\$73.39	\$67.71	\$72.91	\$73.17	\$74.97	\$77.12
TOTAL RETURN	8.17%	9.69%	6.95%	7.87%	20.62%	1.19%	10.88%	8.26%	6.10%	17.71%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$8	\$18	\$20	\$36	\$72	\$73	\$101	\$176	\$237	\$275
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.82%	1.03%	0.94%	0.62%	0.60%	0.53%	0.42%	0.39%	0.35%	0.32%
Ratio of Expenses to Average Net Assets	na	na	na	na	na	na	na	na	na	na
Ratio of Net Investment Income (Loss) to Average Net Assets	5.65%	9.23%	10.19%	7.79%	11.92%	7.75%	9.21%	9.22%	8.64%	9.43%

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

SUPPLEMENTAL SCHEDULE OF FINANCIAL HIGHLIGHTS (Continued)

	PRIVATE INVESTMENT									
	FISCAL YEAR ENDED JUNE 30,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
PER SHARE DATA										
Net Asset Value- Beginning of Period	\$55.35	\$57.45	\$65.23	\$65.27	\$86.33	\$103.96	\$115.01	\$81.40	\$87.28	\$86.79
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	8.47	8.69	8.09	12.98	10.40	4.98	3.66	18.12	4.23	11.84
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	1.29	(2.45)	(2.96)	(1.69)	(19.74)	(15.98)	(10.59)	24.17	(5.30)	4.29
Total from Investment Operations	9.76	6.24	5.13	11.29	(9.34)	(11.00)	(6.93)	42.29	(1.07)	16.13
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(8.68)	(8.34)	(12.91)	(11.33)	(11.72)	(6.63)	(4.12)	(8.68)	(4.81)	(15.64)
Net Asset Value - End of Period	\$56.43	\$55.35	\$57.45	\$65.23	\$65.27	\$86.33	\$103.96	\$115.01	\$81.40	\$87.28
TOTAL RETURN	19.56%	11.74%	9.58%	20.21%	-11.94%	-10.81%	-6.25%	53.86%	-0.81%	18.55%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$1,564	\$1,360	\$1,441	\$1,785	\$1,848	\$2,281	\$2,607	\$2,565	\$1,186	\$795
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.36%	0.43%	0.36%	0.65%	0.40%	0.48%	0.38%	0.48%	1.21%	0.55%
Ratio of Expenses to Average Net Assets	na	na	na	na	na	na	na	na	na	na
Ratio of Net Investment Income (Loss) to Average Net Assets	14.97%	15.32%	12.87%	20.36%	13.69%	5.31%	3.38%	17.91%	5.28%	14.25%

	MUTUAL FIXED INCOME									
	FISCAL YEAR ENDED JUNE 30,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
PER SHARE DATA										
Net Asset Value- Beginning of Period	\$112.04	\$116.37	\$113.15	\$115.58	\$109.21	\$109.74	\$108.38	\$109.13	\$113.15	\$108.04
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	6.23	5.92	5.50	6.95	5.70	6.87	7.81	8.01	6.79	8.65
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	1.53	(4.98)	3.09	(3.89)	6.41	(0.86)	0.75	(1.44)	(4.44)	3.21
Total from Investment Operations	7.76	0.94	8.59	3.06	12.11	6.01	8.56	6.57	2.35	11.86
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(5.27)	(5.27)	(5.37)	(5.49)	(5.74)	(6.54)	(7.20)	(7.32)	(6.37)	(6.75)
Net Asset Value - End of Period	\$114.53	\$112.04	\$116.37	\$113.15	\$115.58	\$109.21	\$109.74	\$108.38	\$109.13	\$113.15
TOTAL RETURN	6.92%	0.77%	7.70%	2.79%	12.03%	5.64%	8.03%	5.77%	2.64%	10.52%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$7,594	\$6,419	\$6,280	\$5,849	\$6,610	\$6,526	\$6,583	\$6,496	\$6,170	\$6,302
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.13%	0.13%	0.11%	0.14%	0.15%	0.17%	0.20%	0.16%	0.17%	0.16%
Ratio of Expenses to Average Net Assets	1.01%	0.90%	0.53%	0.28%	0.34%	0.45%	0.87%	0.71%	0.69%	0.61%
Ratio of Net Investment Income (Loss) to Average Net Assets	5.19%	5.19%	4.70%	5.12%	5.07%	6.24%	7.13%	6.79%	6.83%	7.09%

	REAL ESTATE									
	FISCAL YEAR ENDED JUNE 30,									
	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
PER SHARE DATA										
Net Asset Value- Beginning of Period	\$56.53	\$62.31	\$52.76	\$57.53	\$61.42	\$63.31	\$60.56	\$59.48	\$58.53	\$54.06
INCOME FROM INVESTMENT OPERATIONS										
Net Investment Income (Loss)	0.81	0.86	0.82	2.22	2.95	0.79	0.99	2.34	1.71	6.33
Net Gains or (Losses) on Securities (Both Realized and Unrealized)	6.98	2.84	12.83	(1.94)	(1.08)	(0.31)	7.54	3.00	0.03	8.60
Total from Investment Operations	7.79	3.70	13.65	0.28	1.87	0.48	8.53	5.34	1.74	14.93
LESS DISTRIBUTIONS										
Dividends from Net Investment Income	(9.22)	(9.48)	(4.10)	(5.05)	(5.76)	(2.37)	(5.78)	(4.26)	(0.79)	(10.46)
Net Asset Value - End of Period	\$55.10	\$56.53	\$62.31	\$52.76	\$57.53	\$61.42	\$63.31	\$60.56	\$59.48	\$58.53
TOTAL RETURN	14.21%	7.09%	27.74%	0.67%	3.30%	0.81%	14.45%	9.18%	9.96%	25.63%
RATIOS										
Net Assets - End of Period (\$000,000 Omitted)	\$686	\$399	\$400	\$369	\$426	\$471	\$476	\$510	\$428	\$417
Ratio of Expenses to Average Net Assets (excl. sec. lending fees & rebates)	0.25%	0.41%	0.39%	0.40%	0.35%	0.31%	0.22%	0.17%	0.42%	0.70%
Ratio of Expenses to Average Net Assets	na	na	na	na	na	na	na	na	na	na
Ratio of Net Investment Income (Loss) to Average Net Assets	1.45%	1.39%	1.43%	4.22%	1.40%	1.28%	1.57%	3.95%	6.65%	6.75%

Source: Amounts were derived from custodial records.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

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

	2007		Fund Name							
	Percent of Total System	Assets	CRA	MEF	FIF	ISF	REF	CMF	PIF	VCF
Pension Plans										
Teachers' Retirement Fund	53.2%	\$13,782.1	\$160.9	\$5,233.2	\$3,958.3	\$3,223.6	\$366.5	\$4.4	\$835.2	\$0.0
State Employees' Retirement Fund	38.7%	10,037.7	52.4	3,810.2	2,958.5	2,339.7	266.0	3.0	607.9	0.0
Municipal Employees' Retirement Fund	6.6%	1,717.3	19.3	648.2	504.4	395.8	45.3	0.4	103.9	0.0
State Judges' Retirement Fund	0.7%	187.3	3.0	71.3	54.8	41.9	5.0	0.0	11.3	0.0
The Probate Court Retirement Fund	0.3%	87.7	1.0	33.3	25.9	19.8	2.4	0.0	5.3	0.0
State's Attorneys Retirement Fund	0.0%	0.9	0.1	0.3	0.5	0.0	0.0	0.0	0.0	0.0
Trust Funds	0.5%	115.3	2.1	21.6	91.1	0.0	0.5	0.0	0.0	0.0
	100.0%	\$25,928.3	\$238.8	\$9,818.1	\$7,593.5	\$6,020.8	\$685.7	\$7.8	\$1,563.6	\$0.0

	1998		Fund Name							
	Percent of Total System	Assets	CRA	MEF	FIF	ISF	REF	CMF	PIF	VCF
Pension Plans										
Teachers' Retirement Fund	54.3%	\$9,971.7	\$182.8	\$4,264.8	\$3,385.6	\$1,331.0	\$227.4	\$150.4	\$0.0	\$429.7
State Employees' Retirement Fund	38.2%	7,022.9	170.9	2,930.9	2,412.3	939.8	160.6	105.9	0.0	302.5
Municipal Employees' Retirement Fund	6.1%	1,122.1	45.9	458.8	378.1	144.1	25.1	16.6	0.0	53.5
State Judges' Retirement Fund	0.6%	115.1	7.7	43.1	38.9	14.2	2.3	1.6	0.0	7.3
The Probate Court Retirement Fund	0.3%	60.4	1.3	25.3	20.9	9.0	1.4	0.9	0.0	1.6
State's Attorneys Retirement Fund	0.0%	.8	0.2	0.4	0.2	0.0	0.0	0.0	0.0	0.0
Trust Funds	0.5%	81.2	\$2.7	\$12.2	\$66.3	0.0	0.0	0.0	0.0	0.0
	100.0%	\$18,374.2	\$411.5	\$7,735.5	\$6,302.3	\$2,438.1	\$416.8	\$275.4	\$0.0	\$794.6

CRA Cash Reserve Fund
 MEF Mutual Equity Fund
 FIF Fixed Income Fund
 ISF International Stock Fund
 REF Real Estate Fund
 CMF Commercial Mortgage Fund
 PIF Private Investment Fund (formerly Venture Capital Fund)
 VCF Venture Capital Fund (renamed Private Investment Fund)

Source: Amounts were derived from custodial records.

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2007 ⁽¹⁾

Cash Reserve Account ⁽²⁾

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2007	\$236,297,695	\$236,297,695	0.88%	5.61%
2006	280,548,978	280,548,978	1.20%	4.54%
2005	395,948,288	395,948,288	1.84%	2.38%
2004	363,170,856	363,170,856	1.76%	1.30%
2003	710,832,993	710,832,993	3.75%	1.80%
2002	481,664,484	481,664,484	2.46%	3.03%
2001	391,346,777	391,346,777	1.85%	6.35%
2000	378,683,486	378,683,486	1.67%	5.96%
1999	227,101,012	227,101,012	1.11%	5.46%
1998	409,767,394	409,767,394	2.17%	5.86%

Mutual Equity Fund

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$7,628,304,018	\$9,810,773,724	36.64%	18.24%	
7,501,163,477	8,983,043,768	38.25%	10.27%	
6,991,797,244	8,284,992,409	38.40%	8.06%	
6,544,070,199	7,779,104,677	37.67%	20.84%	
6,047,280,312	6,603,061,918	34.77%	0.48%	
6,401,472,709	6,688,728,705	34.20%	-14.95%	
6,649,619,519	7,949,775,481	37.49%	-9.55%	
6,578,261,062	8,876,068,150	39.08%	10.03%	
6,321,181,834	9,137,539,233	44.77%	19.38%	
5,597,631,659	7,735,628,862	41.04%	28.40%	

International Stock Fund

	Book Value	Market Value	% of Total Fund MV	Rate of Return
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%
2004	3,407,481,400	3,995,868,265	19.35%	29.69%
2003	2,047,590,656	2,026,297,000	10.67%	-6.39%
2002	2,306,936,221	2,272,810,463	11.62%	-9.00%
2001	2,449,711,883	2,466,657,788	11.63%	-13.29%
2000	2,315,776,890	2,928,693,346	12.89%	20.13%
1999	1,937,731,869	2,436,960,573	11.94%	6.77%
1998	1,988,516,841	2,394,774,756	12.71%	1.52%

Real Estate Fund

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$638,511,736	\$684,741,163	2.56%	14.21%	
327,772,520	398,391,108	1.70%	7.09%	
309,798,748	399,727,575	1.85%	27.74%	
348,015,445	368,546,928	1.78%	0.67%	
399,402,161	425,893,012	2.24%	3.30%	
417,067,553	471,193,932	2.41%	0.81%	
407,455,431	476,011,373	2.24%	14.45%	
464,709,616	510,010,943	2.25%	9.18%	
442,674,319	428,221,842	2.10%	9.96%	
445,482,545	416,617,227	2.21%	25.63%	

Mutual Fixed Income Fund

	Book Value	Market Value	% of Total Fund MV	Rate of Return
2007	\$8,604,509,537	\$8,537,943,917	31.89%	6.92%
2006	7,179,817,139	7,052,537,386	30.03%	0.77%
2005	6,567,168,651	6,662,163,634	30.88%	7.70%
2004	6,368,703,625	6,325,884,136	30.63%	2.79%
2003	7,082,889,175	7,308,417,293	38.49%	12.03%
2002	7,412,105,698	7,295,007,838	37.30%	5.64%
2001	7,363,064,249	7,218,746,648	34.04%	8.03%
2000	7,463,463,748	7,282,002,823	32.06%	5.77%
1999	6,943,741,512	6,762,463,935	33.13%	2.64%
1998	6,798,694,018	6,826,179,407	36.22%	10.52%

Commercial Mortgage Fund

	Book Value	Market Value	% of Total Fund MV	Rate of Return
\$7,355,621	\$7,763,461	0.03%	8.17%	
17,729,189	18,192,114	0.08%	9.69%	
19,796,542	20,267,798	0.09%	6.95%	
35,210,421	36,228,371	0.18%	7.87%	
69,871,489	71,990,878	0.38%	20.62%	
69,553,258	71,468,307	0.37%	1.19%	
92,793,153	100,727,402	0.47%	10.88%	
168,263,689	175,216,208	0.77%	8.26%	
231,513,066	235,232,350	1.15%	6.10%	
262,476,294	271,419,535	1.44%	17.71%	

CONNECTICUT STATE TREASURER'S COMBINED INVESTMENT FUNDS

INVESTMENT SUMMARY AT JUNE 30, 2007 (Continued)

	Private Investment Fund ⁽³⁾				Total Fund			
	Book Value	Market Value	% of Total Fund MV	Rate of Return	Book Value	Market Value	% of Total Fund MV	Rate of Return
2007	\$1,657,888,536	\$1,556,795,484	5.81%	19.56%	\$23,066,365,615	\$26,774,529,258	100.00%	17.34%
2006	1,692,805,252	1,357,518,114	5.78%	11.74%	21,145,639,107	23,482,898,042	100.00%	10.55%
2005	2,046,726,560	1,437,979,798	6.67%	9.58%	19,918,781,069	21,573,264,617	100.00%	10.46%
2004	2,406,829,047	1,781,312,669	8.63%	20.21%	19,473,480,993	20,650,115,902	100.00%	15.23%
2003	2,413,582,348	1,842,900,019	9.70%	-11.94%	18,771,449,134	18,989,393,113	100.00%	2.49%
2002	2,315,048,277	2,276,642,374	11.64%	-10.81%	19,403,848,200	19,557,516,103	100.00%	-6.39%
2001	2,217,285,786	2,601,575,275	12.28%	-6.25%	19,571,276,798	21,204,840,744	100.00%	-3.68%
2000	1,879,100,932	2,561,042,272	11.28%	53.86%	19,248,259,423	22,711,717,228	100.00%	13.13%
1999	1,138,252,584	1,182,905,063	5.80%	-0.81%	17,242,196,196	20,410,424,008	100.00%	10.49%
1998	715,880,779	794,324,372	4.21%	18.55%	16,218,449,530	18,848,711,553	100.00%	17.19%

(1) All rates of return are net of management fees and division operating expenses.

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

(3) In fiscal year 1999, the Venture Capital Fund was renamed as the Private Investment Fund.

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

Assets	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Investments at Fair Value	\$26,774.5	\$23,482.9	\$21,573.3	\$20,650.1	\$18,989.4	\$19,557.5	\$21,207.0	\$22,711.7	\$20,410.4	\$18,848.7
Cash, Receivables and Other	14,440.5	16,145.9	12,212.7	10,456.4	4,253.9	3,855.0	4,161.7	3,825.8	3,575.5	4,046.1
Total Assets	41,215.0	39,628.8	33,786.0	31,106.5	23,243.3	23,412.5	25,368.7	26,537.5	23,985.9	22,894.8
Liabilities	15,286.7	16,812.0	12,486.9	10,917.2	4,942.9	4,706.3	4,775.5	4,623.3	4,165.0	4,520.7
Net Assets	\$25,928.3	\$22,816.8	\$21,299.1	\$20,189.3	\$18,300.4	\$18,706.2	\$20,593.2	\$21,914.2	\$19,820.9	\$18,374.1

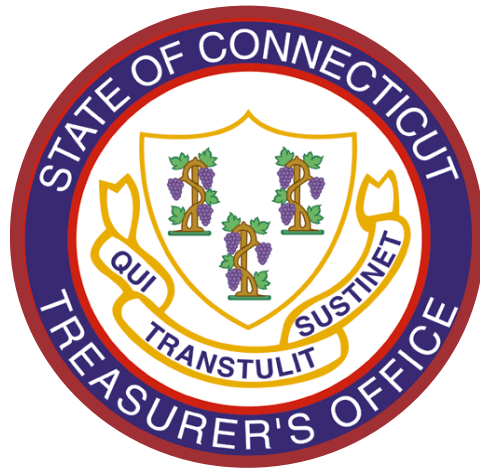
CONDENSED SCHEDULE OF CHANGES IN NET ASSETS
FISCAL YEAR ENDED JUNE 30 (dollars in millions)

Fiscal Year Ended June 30,

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Additions										
Dividends	\$558.9	\$525.6	\$500.2	\$607.5	\$484.1	\$298.8	\$271.4	\$369.8	\$278.6	\$297.4
Interest	396.0	350.8	302.1	303.0	352.4	432.8	504.6	449.4	446.6	431.7
Securities Lending & Other Income	176.7	124.6	76.0	52.8	28.9	42.9	100.1	77.3	90.0	88.4
Total Investment Income	1,131.6	1,001.0	878.3	963.3	865.4	774.5	876.1	896.5	815.2	817.5
Total Investment Expenses	212.3	178.0	112.1	63.6	65.6	91.7	154.7	119.2	136.4	122.0
Net Investment Income	919.3	823.0	766.2	899.7	799.8	682.8	721.4	777.3	678.8	695.5
Net Realized Gain/(Loss)	1,524.1	886.0	698.7	881.0	(566.4)	(445.6)	269.3	1,527.2	673.8	1,350.4
Net Change in Unrealized Gains on Investments	1,472.3	520.4	591.2	936.9	123.8	(1,567.6)	(1,776.4)	262.5	530.3	681.4
Purchase of Units by Participants	3,643.8	1,829.8	1,632.3	2,889.5	1,299.5	1,117.5	1,348.1	2,436.7	2,007.7	2,908.6
Total Additions	7,559.5	4,059.2	3,688.4	5,607.1	1,656.7	(212.9)	562.4	5,003.7	3,890.6	5,635.9

Deductions

Administrative Expense	(3.2)	(2.9)	(2.7)	(2.3)	(2.1)	(1.5)	(1.4)	(1.3)	(1.3)	(1.4)
Distributions to Unit Holders	(911.9)	(802.5)	(859.6)	(816.1)	(837.0)	(717.8)	(734.6)	(759.0)	(643.6)	(628.7)
Redemption of Units by Participants	(3,532.9)	(1,736.1)	(1,716.3)	(2,899.8)	(1,223.4)	(954.8)	(1,147.4)	(2,150.1)	(1,798.9)	(2,661.0)
Total Deductions	(4,448.0)	(2,541.5)	(2,578.6)	(3,718.2)	(2,062.5)	(1,674.1)	(1,883.4)	(2,910.4)	(2,443.8)	(3,291.1)
Net Change in Assets	3,111.5	1,517.7	1,109.8	1,888.9	(405.8)	(1,887.0)	(1,321.0)	2,093.3	1,446.8	2,344.8
Beginning Net Assets	22,816.8	21,299.1	20,189.3	18,300.4	18,706.2	20,593.2	21,914.2	19,820.9	18,374.1	16,029.3
Ending Net Assets	\$25,928.3	\$22,816.8	\$21,299.1	\$20,189.3	\$18,300.4	\$18,706.2	\$20,593.2	\$21,914.2	\$19,820.9	\$18,374.1



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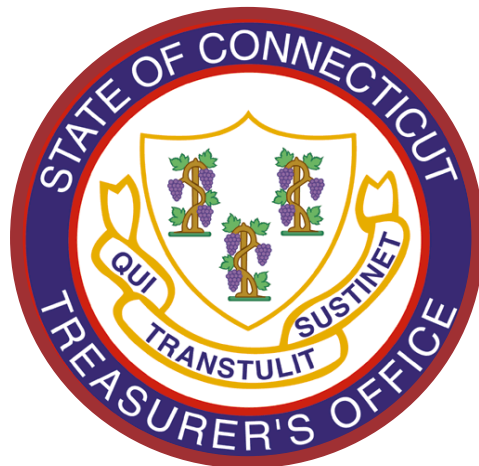
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