

PENNSYLVANIA TREASURY

ANNUAL INVESTMENT REPORT FISCAL YEAR ENDING JUNE 30, 2011



PENNSYLVANIA

TREASURY

Earn. Learn. Invest.

The following report was prepared pursuant to Act 53 of 2008 (Act), which amended various provisions of the Act of April 9, 1929 (P.L. 343, No. 176), known as the Fiscal Code. Specifically, Section 301.3 of the Act requires the State Treasurer to submit an Annual Investment Report by November 30 to the Governor and to the State House and State Senate Chairperson and Minority Chairperson of both the Appropriations and Finance committees for the most recently-ended fiscal year.

Additional information pertaining to the custodial and investment functions performed by the Pennsylvania Treasury, along with an overview of the Commonwealth Investment Program, are also included herein.



Dear Fellow Pennsylvanians,

By a number of different measures, the Pennsylvania Treasury Department continued to deliver impressive results for the Commonwealth and its people in fiscal year 2010-11. This annual investment report – which I am pleased to present to the Governor, the General Assembly, and the citizens of Pennsylvania – details the Pennsylvania Treasury Department’s strong performance for the year ending June 30, 2011.



The State Treasurer serves as custodian for virtually all state funds. As of the end of the fiscal year, Treasury held approximately \$98 billion. Treasury directly invests more than \$15 billion and serves as a fiduciary for the remainder. Of the approximately \$15 billion, most – about \$11.1 billion – is held by the department’s two large investment pools, Pool 99 and Pool 198. Both of these pools beat their respective benchmarks last year.

Pool 198, the Commonwealth’s longer-horizon, diversified investment pool generated a gross return rate of 14.38% as of June 30. This represented its highest return rate in at least the past eight years. The return for Pool 198, net of fees, was 14.07%. Both figures exceeded the pool’s benchmark of 11.02%. Likewise, Pool 99 – the state’s short-term, stable-value pool – exceeded its cash-management benchmark of 0.16% with a rate of return of 0.28%.

Treasury’s positive investment returns help the Commonwealth meet large financial challenges, reduce the cost of government for all taxpayers, and improve the economic security of Pennsylvanians. This annual report makes clear the Pennsylvania Treasury Department is serving the people of Pennsylvania as a successful investor.

Yours in service,

Robert M. McCord
Pennsylvania State Treasurer

TABLE OF CONTENTS

Glossary	Page 2
About the Pennsylvania Treasury	Page 4
Overview of Commonwealth Investment Program	Page 10
Statutory Annual Investment Reporting Requirements	Page 14
<i>Investment Status and Performance</i>	Page 16
<i>Quarterly Asset Allocation</i>	Page 17
<i>Investment Performance: Standards, Measures and Benchmarks</i>	Page 18
<i>Returns by Asset Class</i>	Page 19
<i>External Investment Managers: Selection, Fees, and Performance</i>	Page 19
<i>Brokerage Fees</i>	Page 24
<i>Security Lending</i>	Page 26
<i>Proxy Voting</i>	Page 27
<i>Securities Litigation</i>	Page 27
Commonwealth Investment Program Shareholder Summary	Page 28

GLOSSARY

Alternative Investments	An investment category consisting of nontraditional investments. Examples include, but are not limited to, venture capital, private equity, hedge funds, and real estate investment trusts (REITs).
Cash Equivalent	A domestic security with a high enough level of liquidity to be considered as good as cash.
Equity Security	Common stock of a publicly traded company and securities convertible into common stock, as well as preferred stock, 144a securities, and warrants.
Fixed Income Security	A security that encompasses both Adjustable Rate or Variable Rate Securities and Fixed Rate Securities. An Adjustable Rate or Variable Rate Security is defined as a domestic fixed income security that is structured so that it provides a return in the form of periodic payments that may vary over the instrument's life, due to a change in interest rate, and a return of principal by maturity. A Fixed Rate Security is defined as a domestic security that provides a return in the form of periodic payments that are consistent and predetermined for the instrument's life, from purchase, and a return of principal by maturity.
Fund	A Commonwealth account with prescribed objectives and restrictions.
Intermediate-Term Security	A security that matures in 13 months to 10 years.
Investment Manager	An individual or organization registered with and currently in compliance with the Investment Company Act of 1940 and retained by the Treasury Department to manage the investments of one or more portfolios. The term includes any employees of an organization involved in providing such services to Treasury. An investment manager is also a Treasury employee who has been assigned investment responsibility for one or more portfolios.

Long-Term Security	A security that matures in greater than 10 years.
Net Asset Value Per Share	The total of a pool's assets less liabilities, divided by the number of outstanding shares owned in the pool.
Pool	The totality of assets from various funds combined for the purpose of making joint investments from which each of the participating funds benefits proportionately. A pool may consist of one or more portfolios.
Portfolio	That portion of assets within a pool that is allocated to a specific investment manager for investment with a particular investment discipline or objective.
Program	A discrete and defined set of identifiable procedures and objectives.
Repurchase Agreements	An agreement by the Treasury Department and/or its investment manager(s) to buy acceptable securities on a certain date from a bank or non-bank financial institution and then sell the same security back to that particular institution on a specific date in the future at the same price plus an additional amount as agreed to by the parties.
Securities	The investment securities that are defined as acceptable by the Treasury Department's Investment Policy.
Short-Term Security	A security that matures in 13 months or less.
Standard Deviation (Std Dev)	A measure of the dispersion of a set of data from its mean that measures investment volatility.

ABOUT THE
PENNSYLVANIA
TREASURY

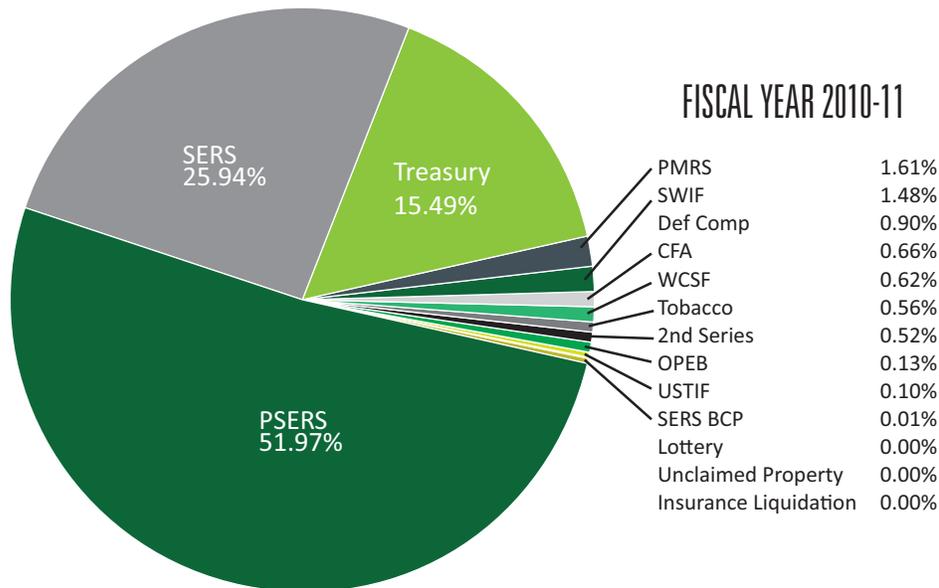


PENNSYLVANIA
TREASURY
Earn. Learn. Invest.

PENNSYLVANIA TREASURY

Pennsylvania’s Constitution established the Pennsylvania Treasury Department as an independent executive office. The State Treasurer – who is elected by the voters of Pennsylvania – serves as the department’s chief executive, as well as the Commonwealth’s chief financial officer. In that capacity, the Treasurer serves, among other things, as custodian and investor.

As statutory custodian, the State Treasurer monitors and safeguards virtually all state agency funds, which totaled approximately \$98 billion as of June 30, 2011. The composition of those funds is provided in the following chart. This custodial role also requires the Treasurer to collect interest and dividends, execute securities transactions, and handle daily trade settlements.



PROGRAMS (CHART LABELS)	NET ASSET VALUE	% UNDER CUSTODY
Public School Employees' Retirement System (PSERS)	\$ 51,156,268,229	51.97%
State Employees' Retirement System (SERS)	\$ 25,534,906,791	25.94%
Treasury Total (Treasury)	\$ 15,244,147,182	15.49%
Pennsylvania Municipal Retirement System (PMRS)	\$ 1,588,434,902	1.61%
State Workers' Insurance Fund (SWIF)	\$ 1,459,155,636	1.48%
Deferred Compensation (Def Comp)	\$ 885,217,076	0.90%
Commonwealth Financing Authority (CFA)	\$ 649,194,600	0.66%
Workmen's Compensation Security Fund (WCSF)	\$ 607,758,271	0.62%
Tobacco (Tobacco)	\$ 554,199,764	0.56%
2nd Series Refunding (2nd Series)	\$ 509,123,598	0.52%
Other Post Employment Benefits (OPEB)	\$ 130,640,207	0.13%
Underground Storage Tank Indemnification Fund (USTIF)	\$ 102,478,337	0.10%
SERS Benefit Completion Plan (SERS BCP)	\$ 5,886,770	0.01%
Lottery (Lottery)	\$ 1,810,895	0.00%
Unclaimed Property (Unclaimed)	\$ 485,570	0.00%
Insurance Liquidation Fund (Liquidation)	\$ 97,501	0.00%
Total Under Custody	\$ 98,429,805,329	100.00%

In his investing function, the Treasurer manages and invests any funds in excess of the Commonwealth's ordinary operational needs, unless those funds are explicitly under the control of another board, commission, or state official.

All told, the Treasurer directly manages approximately \$15.24 billion as of June 30, 2011.

For Fiscal Year 2010-11, Pennsylvania Treasury's General Fund General Government Operations appropriation equaled approximately \$34.5 million. It ended the fiscal year with a staff of 408 employees. The state's current Treasurer, Robert M. McCord, took office in January 2009.

Beyond simply managing funds and investments on behalf of state agencies, the Treasurer's investment function also serves families, local governments, as well as charitable and nonprofit organizations through two specialized Treasury programs: the Tuition Account Program and the INVEST program.

Treasury markets its tuition account program as the PA 529 College Savings Program, and it invests the contributed assets of the PA 529 Guaranteed Savings Plan – one of two plans available through the program. The PA 529 GSP serves approximately 95,000 account owners as a tool to help them meet eligible higher education expenses.

Treasury's INVEST program is designed specifically to offer a safe and liquid investment alternative to local government and nonprofit groups. The program offers two funds: the INVEST Community Fund and the INVEST Daily Fund. The Program also offers periodic custom investment opportunities for longer-term investment needs.

Treasury administers the INVEST Daily Fund on behalf of local governmental bodies within Pennsylvania. The INVEST Community Fund is a very similar fund administered on behalf of participating Pennsylvania nonprofits. The department's investment staff manage both funds, which do not require minimum investment periods, minimum account balances, or notifications prior to redeeming funds.

Standard and Poor's rates both funds "AAAm" – its highest possible rating for such funds – signifying the extremely strong capacity of each to maintain principal value and limit exposure to losses due to credit, market, and/or liquidity risks.

The INVEST program's two pools paid \$637,522 to 609 participants in FY 10-11.

PRUDENT INVESTOR STANDARD

Act 53 of 2008 modified the Treasurer’s investment authority from a “Prudent Person” to “Prudent Investor” standard, including specific investment criteria accounting for economic conditions, liquidity, maintenance of principal, and other factors. The new standard requires Treasury’s chief executive to act as a fiduciary with care, skill, prudence and diligence given the prevailing market conditions and anticipated funding needs when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds.

Treasury’s “prudent investor” mandate means the department must exercise careful judgment when determining which investments are appropriate for each Commonwealth fund based upon different criteria such as income needs, cash flow requirements, investment time horizons, and risk tolerance. Sometimes, these judgments must also take into account different legal standards that limit the particular kinds of investments each fund could hold.

Treasurer McCord continually seeks quality investments – those that protect principal yet are still projected to outperform benchmarks – to maximize the likelihood each pool fulfill its needs to the Commonwealth and its citizens. At the same time, the Treasurer actively pursues promising investment opportunities that offer a reasonable risk-adjusted rate of return, but also help to strengthen certain strategically important segments of Pennsylvania’s economy.

OVERVIEW OF THE COMMONWEALTH INVESTMENT PROGRAM



PENNSYLVANIA

TREASURY

Earn. Learn. Invest.

When managing the Commonwealth's assets, Treasury does more than simply act as a checking account. It looks for opportunities to generate returns using a variety of investment strategies and vehicles. In doing so, it must take into account the various operating funds' liquidity needs. Accordingly, Treasury's Commonwealth Investment Program consists of two separate pools.

One such pool, known as "Pool 99," seeks to maintain a stable net asset value of \$1 per share by investing exclusively in fixed-income securities, primarily of short duration. Thus, Pool 99 is designed to generate income while minimizing investment volatility. This helps to protect principal yet ensure ready access to account balances through investments with easy liquidity. Pool 99's permitted investments include U.S. Treasury securities, federal agency securities, certificates of deposit, commercial paper, money market funds, repurchase agreements, and similar short-term fixed-income instruments.

For assets in excess of liquidity needs, Treasury uses "Pool 198." (See sidebar for a brief history of Pool 198.) This variable net asset value per share investment vehicle uses longer-term fixed income, alternative investments, and equity securities to generate enhanced investment returns over time. Funds in Pool 198 are intended to weather short-term ups and downs in the market in the interest of long-term capital appreciation.

Pool 198 operates much like a mutual fund: depending on market conditions, an account owner who makes a withdrawal may realize a gain or a loss. Shares in Pool 198 are priced at the most recent net asset value per share, which fluctuates daily. Consequently, if a participant's average cost per share (based on its own history of purchases and redemptions) is less than the share price on the day of redemption, the participant will realize a capital gain on the shares redeemed. Conversely, if a participant's average cost per share exceeds the share price on the day of redemption, the participant will realize a capital loss on the shares redeemed.

A HISTORY OF POOL 198

In 1998, the Pennsylvania Treasury created "Pool 98" to take advantage of large market gains in the late 1990s. Over the next few years, a number of Pennsylvania's funds including the Motor License Fund and the Tax Stabilization Fund were moved into Pool 98. This allowed those funds to enjoy considerably higher returns – but at much greater risk. When the market collapsed in late 2008, a number of funds in Pool 98 experienced considerable declines in value.

Upon taking office in 2009, Treasurer McCord initiated a review of Pennsylvania's pool structure with a goal of restructuring the system to:

- Better manage cash flows;
- Relieve pressure on operating resources from large one-day market fluctuations; and
- Maintain more stability in the asset mix of the new long-term pool.

As a result of the review – and after the market had stabilized – Treasury closed Pool 98 and established Pool 198 in its place. Before doing so, however, Treasury was able to realize more than \$320 million in gains through Pool 98. The department distributed the gains proportionately, with the biggest winner being \$120 million to the Motor License Fund.

FISCAL YEAR 2010-11 CHANGE IN BALANCES

*From June 30, 2010
to June 30, 2011:*

Pool 99's balance increased
by approximately
\$275 million

Pool 198's balance increased by
approximately
\$419 million

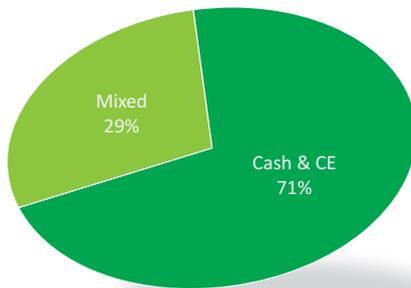
Overall, the Commonwealth Investment Program balance increased during the 2010-2011 fiscal year. On June 30, 2010, the combined net asset value of Pools 99 and 198 was slightly more than \$10.4 billion. One year later, the pools' NAV increased to \$11.1 billion, which represented an increase of \$694 million, or 7%.

As illustrated in the following charts, the balance in Pool 99 increased by approximately \$275 million or 4% during this period, while the balance in Pool 198 increased by approximately \$419 million, or 15%.

The following charts illustrate the combined increase in the net asset value of Pools 99 and 198 between fiscal years 2009-10 and 2010-11.

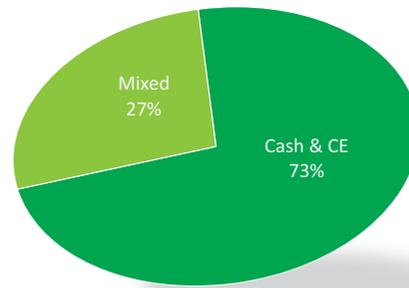
COMMONWEALTH INVESTMENT PROGRAM SUMMARY

JUNE 30, 2011



■ Pool 99 ■ Pool 198

JUNE 30, 2010



■ Pool 99 ■ Pool 198

Investment Pool	Net Asset Value	Program %	Strategy
Pool 99	\$ 7,926,089,762	71.38%	Cash & CE
Pool 198	3,177,393,391	28.62%	Mixed
	\$11,103,483,152	100.00%	

Investment Pool	Net Asset Value	Program %	Strategy
Pool 99	\$ 7,650,871,002	73.50%	Cash & CE
Pool 198	2,758,522,126	26.50%	Mixed
	\$10,409,393,128	100.00%	

A "Commonwealth Investment Program Shareholder Summary" as of June 30, 2011 is reflected on page 28 to this report.

STATUTORY ANNUAL INVESTMENT REPORTING REQUIREMENTS



PENNSYLVANIA
TREASURY
Earn. Learn. Invest.

INVESTMENT STATUS AND PERFORMANCE

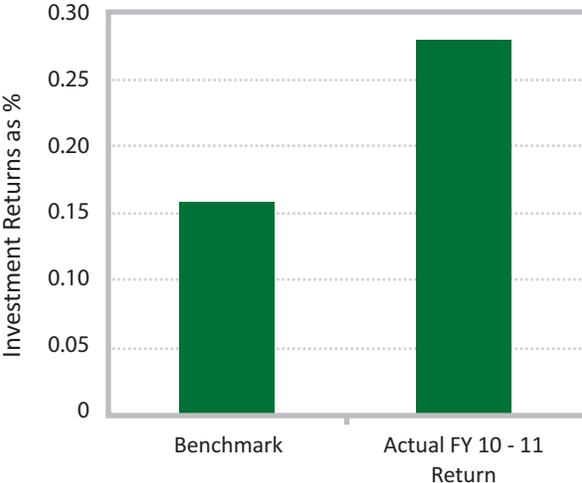
Both Pool 99 and Pool 198 exceeded their respective benchmarks for the 2010-11 fiscal year.

Pool 99 returned 0.28% compared to its benchmark of 0.16%, while Pool 198's one-year return of 14.38% exceeded its benchmark of 11.02% for the year.

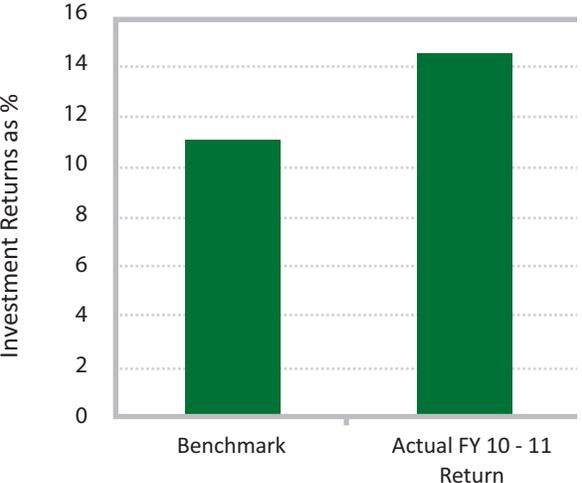
In total, participants in the Pool 99 received \$17,909,266 in investment returns last fiscal year. Investment earnings distributed to participants of Pool 198 for the fiscal year ended June 30, 2011 totaled \$91,032,662.

Pool 99 ended FY 10-11 with approximately \$7.926 billion in Commonwealth funds in its "cash and cash equivalent strategy." Pool 198 ended the fiscal year with approximately \$3.177 billion of Commonwealth funds in its "mixed strategy" – comprised of 12% cash and cash equivalent investments, 4% alternative investments, 27% equity investments, and 57% fixed income investments.

POOL 99



POOL 198



QUARTERLY ASSET ALLOCATION

Pool 99 is designed to generate income and minimize investment volatility, while Pool 198 is designed to generate both income and capital appreciation over longer periods of time. To reflect this, Treasury invests in a diversified mix of assets. Pool 99 typically invests in cash equivalents such as commercial paper, certificates of deposit, money market funds, and repurchase agreements.

Table 1. This table compares the Commonwealth Investment Program’s actual asset allocations to its corresponding targets for the quarters ended on the dates shown. These allocations have been skewed recently by a reallocation of assets associated with the Pool 98 to 198 reorganization.

ASSET CLASS	TARGET ALLOCATION	SEPT. 30, 2010	DEC. 31, 2010	MARCH 31, 2011	JUNE 30, 2011
Cash & Cash Equivalents	40%-65%	67%	69%	73%	75%
Equity & Alternatives	15%-25%	14%	11%	10%	9%
Fixed Income	20%-35%	19%	20%	17%	16%

Treasury manages cash and cash equivalent investments under Pool 198 internally, thereby avoiding external investment management fees. Treasury also keeps its investing costs down by employing a passive investment management strategy for a portion of 198. These strategies also provide additional diversification to the overall portfolio.

The passive portion of the Pool 198 includes exchange-traded funds (ETFs) and mutual funds to obtain exposure to certain asset classes at a lower cost, as well as securities where a buy-and-hold strategy is employed. On June 30, 2011, passive investments accounted for 12% of Pool 198.

Treasury also employs a passive investment approach with a portion of its Pool 198 fixed income assets invested in Strategic Investment Opportunities, or SIOs. SIOs afford Treasury an opportunity to benefit Pennsylvania’s economy, create jobs, and make progress towards positive policy objectives – all while generating an above-market rate of return on the Commonwealth’s assets. Treasury’s SIOs include the Agri-Link Program, State of Israel Bonds, Keystone Home Energy Loan Program, the PHEAA HelpStart Program, and the Micro-Lending Investment Initiative.

Approximately 11% of Pool 198’s fixed income assets were invested in SIOs on June 30, 2011. The following table summarizes those investments.

POOL 198 STRATEGIC INVESTMENT OPPORTUNITIES JUNE 30, 2011

PROGRAM INVESTMENT	SECURITY TYPE	06/30/11 NAV	% of SIO
PHEAA (Line of Credit & Note)	Municipal Securities	\$135,888,838	71.34%
Keystone HELP	Whole Loans	34,124,151	17.91%
State of Israel Bonds	International Bonds	20,101,673	10.55%
Agri-Link, Micro Lending	Certificates of Deposit	375,799	0.20%
		\$190,490,461	100.00%
SIOs as a % of Pool 198's Fixed Income Allocation			10.55%

INVESTMENT PERFORMANCE: STANDARDS, MEASURES AND BENCHMARKS

Treasury applies different benchmarks and risk measures for each class of assets in Pools 99 and 198, a summary of which follows. The department chooses or constructs each benchmark and risk measure – which offer a comparative analysis of each investment’s performance or risk – to reflect a representative asset class or allocation.

COMMONWEALTH INVESTMENT PROGRAM PERFORMANCE AND RISK MEASURES

POOL/ASSET CLASS	BENCHMARK	RISK MEASURE
(Pool 99) Cash & Cash Equivalents	Merrill Lynch 3-Month U.S. Treasury Bill Index	130-day Weighted Average Maturity (WAM)
(Pool 198) Cash & Cash Equivalents	Merrill Lynch 3-Month U.S. Treasury Bill Index	130-day Weighted Average Maturity (WAM)
(Pool 198) Equity	75% Standard & Poor's 500 Index 25% MSCI ACWI ex U.S. Index	5.0 Standard Deviation
(Pool 198) Fixed Income	83% Barclays Capital U.S. Aggregate Bond Index 17% Merrill Lynch 6-Month U.S. Treasury Bill Index	

RETURNS BY ASSET CLASS

Treasury measures the performance of its asset classes against the benchmarks listed above. For the fiscal year ended June 30, 2011, Treasury exceeded its benchmarks for Pool 99 and for two of the three classes comprising Pool 198. In the latter, only Pool 198's equity investments missed their mark of 30.49 by only 1.49 percentage points. This difference is explained by the relatively conservative nature of the equity allocation, which acts as something of a damper on performance in strong markets, but also partially limits downside performance in weak markets.

POOL 99 ASSET CLASS RETURNS (NET OF FEES)

ASSET CLASS	BENCHMARK	FY 10-11 RETURN	BENCHMARK RETURN	OVER/UNDER PERFORMANCE VS. BENCHMARK
Cash and Cash Equivalents	Merrill Lynch 3-Month U.S. Treasury Bill Index	0.28	0.16	0.12

POOL 198 ASSET CLASS RETURNS (NET OF FEES)

ASSET CLASS	BENCHMARK	FY 10-11 RETURN	BENCHMARK RETURN	OVER/UNDER PERFORMANCE VS. BENCHMARK
Cash and Cash Equivalents	Merrill Lynch 3-Month U.S. Treasury Bill Index	0.51	0.16	0.35
Equity	75% Standard & Poor's 500 Index, 25% MSCI ACWI ex-U.S. Index	29.00	30.49	-1.49
Fixed Income	83% Barclays Capital U.S. Aggregate Bond Index, 17% Merrill Lynch 6-Month U.S. Treasury Bill Index	8.97	3.29	5.68
Alternative	No Assigned Benchmarks	4.48	N/A	N/A

EXTERNAL INVESTMENT MANAGERS: SELECTION, FEES, AND PERFORMANCE

The Pennsylvania Treasury employed 31 external investment managers for Pool 198 as of June 30, 2011. A list follows of those managers, including principals and key staff, as well as the date each received funding for investments.

POOL 198 EXTERNAL INVESTMENT MANAGER LISTING JUNE 30, 2011

INVESTMENT MANAGERS	PRINCIPALS/KEY STAFF	TITLE	FUNDING DATE	SELECTION-METHOD ⁽¹⁾
Attalus Capital	Patrick C. Egan Michelle C. Egan	President & CEO Deputy Chief Investment Officer	11/09	Negotiated
Blackrock Financial Management	Laurence D. Fink Robert S. Kapito	Chairman & CEO President	05/06	Negotiated
Blackstone GSO	Stephen A. Schwarzman Hamilton E. James	Chairman & CEO President & COO	05/11	Negotiated
Bluecrest Capital Management LLP	David DeRosa Linburgh Martin William Reeves Keith Walton	Director Director Director Director	11/09	Negotiated
Blue Hill Investment Partners, LP	Joyce Ferris Scott Herrin Peter Williams	Managing Partner Partner Principal	11/06	Negotiated
Brevan Howard	Nagi Kawkabani James Vernon	CEO COO	05/10	Negotiated
Cameron Capital Management	Denean R. Williams	Managing Director & Portfolio Manager	11/09	Negotiated
Chartwell Investment Partners	Michael J. McCloskey Timothy J. Riddle G. Gregory Hagar	Director, Client Svcs & Mktg CEO CFO, Compliance Officer	09/03	Negotiated
Community Capital Mgmt, Inc.	Barbara VanScoy Alyssa Greenspan Stefanie Little Todd Cohen David Downes Joseph Hastings	Board Chair & Sr. Portfolio Mgr COO Chief Compliance Officer President & CIO Chief Executive Officer CFO	08/06	Negotiated
Credit Suisse	Robert Shafir Thomas Sipp	CEO COO	12/09	Negotiated
Delaware Structured Asset Partners	Patrick P. Coyne See Yeng Quek Brian L. Murray	Chairman, President Executive VP, CIO Chief Compliance Officer	09/09	Negotiated
Emerald Advisers	Kenneth G. Mertz II Stacey L. Sears David A. Volpe James A. Meehan	President Sr. VP, Portfolio Manager Managing Director Chief Compliance Officer	09/09	Negotiated
EnTrust Capital	Michael E. Horowitz Mark S. Fife Brian M. Delaney Kyle A. Kliegerman Michael Lorch	Principal Managing Partner Partner Partner Chief Acctg Officer, Chief Comp Officer	11/09	Negotiated
Estabrook Capital Mgmt, LLC	Charles T. Foley Lewis S. Lee, Jr. George D. Baker William C. McClean III William C. Petty III Virginia W. Sheerin Henry A. Wilmerding III	Chairman President Director Director Director Director Director	09/04	Negotiated

POOL 198 EXTERNAL INVESTMENT MANAGER LISTING JUNE 30, 2011

INVESTMENT MANAGERS	PRINCIPALS/KEY STAFF	TITLE	FUNDING DATE	SELECTION-METHOD ⁽¹⁾
Federated Investors, Inc.	John C. Donahue Thomas R. Donahue John B. Fisher Brian P. Bouda	Chairman Treasurer President & CEO Chief Compliance Officer	08/01	Negotiated
Gen2 Asian Opportunity Fund	Paul L. Heffner Mark Ashley Hibbs Takeshi Kadota	Director Director Director	06/11	Negotiated
Haverford	Joseph J. McLaughlin, Jr. Binney H.C. Wietlisbach Paul S. Rovner MarieElena V. Ness	Chairman & CEO President CFO Chief Compliance Officer	12/09	Negotiated
Mesirow Financial Management	Martin B. Kaplan Richard S. Price Kristie P. Paskvan	CEO Chairman & COO Chief Financial Officer	03/06	Negotiated
Philadelphia Trust Company	Michael G. Crofton George J. Marlin Richard I. Sichel	President & CEO Chairman & COO Chief Investment Officer	08/01	Negotiated
PNC Capital Advisors, LLC ⁽²⁾	Kevin McCreddie Andrew Harding Mark McGlone	President, CIO CIO, Fixed Income Chief Risk Officer	08/01	Negotiated
Queensboro	Warren Naphtal J. Richard Zecher	President & Principal Principal	04/11	Negotiated
Robeco Investment Management	Mark E. Donovan Joseph F. Feeney, Jr. Matthew J. Davis William G. Butterly III	Co-CEO Co-CEO, CIO CFO Chief Operating Officer	11/09	Negotiated
Ryan Labs, Inc.	F. Harlan Batrus Sean McShea Geraldine Michalik, Ph.D.	Chairman President Chief Operating Officer	12/00	Negotiated
Selene	Frank J. Jaeger Lewis S. Ranieri David E. Creamer Charles E. Dunleavy, Jr. Scott A. Shay Yale E. Stark	VP Principal Principal Principal Principal Principal	09/09	Negotiated
Sterling Asset Management	John F. Meehan Terry J. Soffera David M. Killian	Chief Compliance Officer CIO Managing Member	12/10	Negotiated
The Swarthmore Group	James E. Nevels Paula R. Mandle Glenn E. Becker	Chairman CEO, Chief Compliance Officer President, CIO	12/00	Negotiated
Titanium Asset Management	Robert Kelly Robert Brooks Brian Gevry Robert Siefert Jonathan Hoenecke	Vice Chairman CEO CIO, COO Managing Director CFO, Secretary	10/09	Negotiated
Turner Investment Partners	Thomas R. Trala Robert E. Turner Mark D. Turner Matthew D. Glaser Christopher K. McHugh James A. Wylie	COO Chairman, CIO President Executive Managing Director, Principal Vice Chairman Executive Managing Director, Principal	11/09	Negotiated

POOL 198 EXTERNAL INVESTMENT MANAGER LISTING JUNE 30, 2011

INVESTMENT MANAGERS	PRINCIPALS/KEY STAFF	TITLE	FUNDING DATE	SELECTION-METHOD ⁽¹⁾
Valley Forge Asset Management	Bernard A. Francis, Jr. James E. Gibson William J. Reuter Michael F. Swallow	Director, President, CEO Director, CIO & COO Chairman CFO, Chief Compliance Officer	12/00	Negotiated
Waterloo Partners	David Schroll Guy Judkowski	Manager Manager	11/09	Negotiated
Weaver C. Barksdale & Assoc, Inc.	Weaver C. Barksdale John E. McDowell J. Dewey Daane Charles H. Webb Frank G. Puryear Marshall E. Cox, Jr. Timothy A. Carpenter S. Guerry Simmons Ann Loden Roberts Kathy E. Carpenter Deborah K. Slocum	Founding Principal, Chairman President & CEO, Principal Principal CIO, Principal Principal Principal Principal Principal Principal Principal Chief Compliance Officer	07/01	Negotiated

(1) The Commonwealth Procurement Code (62 Pa.C.S.A. § 515 (9)) permits contracts to be awarded for a supply, service or construction item without competition if the contracting officer first determines in writing that the contract is for financial or investment experts to be used and selected by the Treasury Department.

(2) Former investment manager Allegiant Asset Management Co. Management firm is a result of the merger of The PNC Financial Services Group, Inc. and National City Corporation, in September 2009.

POOL 198 EXTERNAL INVESTMENT MANAGER FEE AND PERFORMANCE SUMMARY ⁽¹⁾ FY 2010-2011

	INVESTMENT MANAGER	ASSET CLASS	INVESTMENT MANDATE	FY '10-'11 MANAGER FEES	ASSIGNED BENCHMARK	FY '10-'11 PORTFOLIO RETURN (NET OF FEES)	FY '10-'11 BENCHMARK RETURN	OVER/ UNDER PERFORM VS. BENCHMARK
	Attalus Capital	Alternative	Absolute Return	\$152,411	HFRI Fund of Funds Composite Index	3.02	6.68	-3.66
	BlackRock Financial Mgmt, Inc.	Fixed Income	Core	\$168,277	Barclays Capital U.S. Aggregate Bond Index	3.99	3.90	0.09
(2)	Blackstone GSO	Fixed Income	Senior Secured Debt	\$41,804	Credit Suisse Leveraged Loan Value Index	N/A	N/A	N/A
	Bluecrest Capital Management	Alternative	Absolute Return	\$459,144	HFRX Absolute Return Index	6.08	0.39	5.69
	Blue Hill Investment Partners, LP	Alternative	Private Equity	\$125,000	Cambridge Associates Private Equity Index	-0.17	24.80	-24.97
	Brevan Howard	Alternative	Absolute Return	\$202,703	HFRX Absolute Return Index	0.41	0.39	0.02
	Cameron Capital	Alternative	Absolute Return	\$241,835	HFRX Equity Market Neutral Index	-10.19	3.43	-13.62
	Chartwell Investment Partners	Fixed Income	High Yield	\$687,925	Merrill Lynch U.S. High Yield Cash BB-B Index	14.52	14.73	-0.21
	Community Capital Mgmt, Inc.	Fixed Income	Core	\$154,081	Barclays Capital U.S. Aggregate Bond Index	4.23	3.90	0.33
	Credit Suisse	Fixed Income	Senior Secured Debt	\$500,970	Credit Suisse Leveraged Loan Value Index	11.39	9.69	1.70
	Delaware	Fixed Income	TALF	\$506,596	Barclays Capital U.S. Aggregate Bond Index + 100bp	10.86	4.90	5.96
	Emerald TALF	Fixed Income	TALF	\$1,139,105	Barclays Capital U.S. Aggregate Bond Index + 100bp	10.66	4.90	5.76
	EnTrust	Alternative	Absolute Return	\$245,839	HFRI Fund of Funds Composite Index	21.91	6.68	15.23
	Estabrook Capital Mgmt, LLC	Equity	Large Cap Value	\$244,933	Russell 1000 Value Index	30.38	28.94	1.44
	Federated Investment Counseling	Fixed Income	High Yield	\$236,720	Merrill Lynch U.S. High Yield Index	13.07	15.40	-2.33
(3)	Gen2 Asian Opportunity Fund	Alternative	Absolute Return	\$22,322	Eureka Hedge Asia Pacific FOFs Index	N/A	N/A	N/A
	Haverford Financial Services	Fixed Income	Senior Secured Debt	\$89,428	Credit Suisse Leveraged Loan Value Index	3.44	9.69	-6.25
	Mesirow Financial Investment Mgmt, Inc.	Fixed Income	Core	\$119,755	Barclays Capital U.S. Aggregate Bond Index	4.29	3.90	0.39
	PNC Capital Advisors	Fixed Income	Intermediate	\$311,090	Barclays Capital U.S. Intermediate Government/Credit Bond Index	3.67	3.77	-0.10
(4)	Queensboro Advisors	Alternative	Absolute Return	\$118,056	Dow Jones Credit Suisse Managed Futures Index	N/A	N/A	N/A
	Robeco Investment Management	Alternative	Absolute Return	\$139,961	HFRI Fund of Funds Composite Index	6.96	6.68	0.28
	Ryan Labs, Inc.	Fixed Income	Intermediate	\$375,789	Barclays Capital U.S. Intermediate Government/Credit Bond Index	4.06	3.77	0.29
	Ryan Labs, Inc.	Fixed Income	TALF	\$218,747	Barclays Capital U.S. Aggregate Bond Index + 100bp	72.54	4.90	67.64
	Selene Investment Partners	Fixed Income	Opportunistic Mortgage	\$625,567	Barclays Capital US MBS Fixed Rate Market Value	7.56	6.11	1.45
(5)	Sterling Asset Management	Fixed Income	Core	\$123,458	Barclays Capital U.S. Aggregate Bond Index	N/A	N/A	N/A
	The Philadelphia Trust Company	Equity	Large Cap Core	\$492,757	S&P 500 Index	30.48	30.69	-0.21
	The Swarthmore Group	Equity	Large Cap Core	\$1,039,559	S&P 500 Index	29.89	30.69	-0.80
	Titanium TALF	Fixed Income	TALF	\$167,243	Barclays Capital U.S. Aggregate Bond Index + 100bp	18.69	4.90	13.79

POOL 198 EXTERNAL INVESTMENT MANAGER FEE AND PERFORMANCE SUMMARY ⁽¹⁾ FY 2010-2011

INVESTMENT MANAGER	ASSET CLASS	INVESTMENT MANDATE	FY '10-'11 MANAGER FEES	ASSIGNED BENCHMARK	FY '10-'11 PORTFOLIO RETURN (NET OF FEES)	FY '10-'11 BENCHMARK RETURN	OVER/ UNDER PERFORM VS. BENCHMARK
Turner Investment Partners	Alternative	Absolute Return	\$134,855	HFRX Equity Market Neutral Index	12.06	3.43	8.63
Valley Forge Asset Mgmt	Equity	Large Cap Core	\$1,024,132	S&P 500 Index	21.43	30.69	-9.26
Waterloo Partners	Alternative	Absolute Return	\$77,034	HFRI EH: Short Bias Index	-0.49	-20.86	20.37
Weaver C. Barksdale & Associates	Fixed Income	Intermediate	\$288,104	Barclays Capital U.S. Intermediate Government/Credit Bond Index	4.05	3.77	0.28

TOTAL FEES PAID

- (1) Performance information obtained from VTL Associates' June 30, 2011 Investment Performance Reports.
- (2) Portfolio inception date is May 2011. Insufficient time has passed for a 1-year return to be reported.
- (3) Portfolio inception date is June 2011. Insufficient time has passed for a 1-year return to be reported.
- (4) Portfolio inception date is April 2011. Insufficient time has passed for a 1-year return to be reported.
- (5) Portfolio inception date is November 2010. Insufficient time has passed for a 1-year return to be reported.

BROKERAGE FEES

Treasury requires its investment managers to obtain execution orders through responsible brokerage firms at competitive prices when placing portfolio transaction orders on behalf of the Commonwealth.

In Fiscal Year 2010-11, 33 brokers placed 771 equity trades, resulting in gross commissions of \$800,561 for Pool 198. On a per-share-basis, the gross commissions translated into an average gross commission price of just \$0.0030 per share. Treasury – through its broker commission recapture program for Pool 198 – was able to recapture nearly 73%, or \$583,326 of those commissions paid in FY 10-11. This translates into net commissions of \$217,235, or \$0.0008 per share. All recaptured commissions ultimately are used to benefit the applicable investment program.

The Pennsylvania State Treasury uses SEI Investments Distribution Company, a third-party broker commission recapture agent, to administer its equity and fixed income client-directed trading program. Treasury encourages its investment managers to utilize SEI's brokerage services for security transactions generated on behalf of Treasury's investment programs, subject to obtaining best pricing and execution.

A summary of commissions paid to brokers for Pool 198 is reflected in the following table.

POOL 198 BROKER COMMISSIONS FISCAL YEAR 2010-2011

BROKER	COMMISSION	BROKER	COMMISSION
BARCLAYS CAPITAL LE, JERSEY CITY	\$8,632	IVY SECURITIES INC, GREAT NECK	\$228
BNY CONVERGEX / LJR, HOUSTON	\$338	J P MORGAN SECURITIES INC, BROOKLYN	\$806
BNY CONVERGEX, NEW YORK	\$97,695	JOHNSON RICE & CO, NEW ORLEANS	\$730
BNY CONVERGEX/FIXED INCOME, NEW YORK	\$31,725	JPMORGAN CHASE BANK/G.X.CLARKE, JERSEY	\$12,617
BROADCOURT CAP CORP/SUB OF MLPF&S,NY	\$4,576	LEERINK SWANN & CO, JERSEY CITY	\$390
CABRERA CAPITAL MARKETS, CHICAGO	\$184	LIQUIDNET INC, BROOKLYN	\$17
CAPITAL ONE SOUTHCOAST INC, NEW ORLEANS	\$1,074	MERRILL LYNCH PIERCE FENNER SMITH INC NY	\$1,386
CITATION GROUP/BCC CLRG, NEW YORK	\$4,100	NATIONAL FINL SVCS CORP, NEW YORK	\$25,718
CITIGROUP GBL MKTS INC, NEW YORK	\$1,424	PERSHING LLC, JERSEY CITY	\$1,929
DEUTSCHE BK SECS INC, NY (NWSCUS33)	\$188,403	SEI FINANCIAL SERVICES CO, NEW YORK	\$99,877
DREXEL HAMILTON LLC, JERSEY CITY	\$964	SEI FUNDS EVALUATION	\$45,374
FIRST SOUTHWEST CO, DALLAS	\$643	SEI INVESTMENTS DIST, JERSEY CITY	\$114,296
GREENTREE BROKERAGE SERVICES, JERSEY CITY	\$643	SIDCO / CONVERGEX, NEW YORK	\$58,900
GUZMAN & CO, NEW YORK	\$1,286	STRATEGAS SECURITIES LLC, NEW YORK	\$1,518
INSTINET CORP, NY	\$106	UNIVERSAL NETWORK EXCHANGE INC, NEW YORK	\$73,400
INVESTMENT TECHNOLOGY GROUP, NEW YORK	\$8	WELLS FARGO SECURITIES LLC, CHARLOTTE	\$624
ISI GROUP INC, NY	\$20,951	TOTAL	\$800,561

Nearly 95% of the total equity trade commissions paid in FY 10-11, or \$756,339, were made to 10 of the 33 brokers that placed such trades. A list of the top 10 brokers Treasury's external investment managers utilized for Pool 198 is included below.

TOP 10 POOL 198 BROKER COMMISSIONS FISCAL YEAR 2010-2011

BROKER	COMMISSION
DEUTSCHE BK SECS INC, NY (NWSCUS33)	\$188,402.80
SEI INVESTMENTS DIST, JERSEY CITY	\$114,296.08
SEI FINANCIAL SERVICES CO, NEW YORK	\$99,876.96
BNY CONVERGEX, NEW YORK	\$97,695.47
UNIVERSAL NETWORK EXCHANGE INC, NEW YORK	\$73,400.00
SIDCO / CONVERGEX, NEW YORK	\$58,900.00
SEI FUNDS EVALUATION	\$45,374.00
BNY CONVERGEX/FIXED INCOME, NEW YORK	\$31,725.00
NATIONAL FINL SVCS CORP, NEW YORK	\$25,717.55
ISI GROUP INC, NY	\$20,951.32
TOTAL	\$756,339.18

SECURITIES LENDING

Treasury makes its portfolios under the Commonwealth Investment Program available through a security lending program to generate additional revenue for Pennsylvania. In FY 10-11 the program generated \$716,791, with 8.93% of Pool 198's securities on loan as of June 30, 2011. The following table provides a snapshot of Treasury's Security Lending Program as of that date.

COMMONWEALTH INVESTMENT PROGRAM SECURITY LENDING PROGRAM SUMMARY JUNE 30, 2011

POOL	MARKET VALUE OF LENDABLE SECURITIES	MARKET VALUE OF SECURITIES ON LOAN	% OF LENDABLE SECURITIES ON LOAN
Pool 99	-	-	0.00%
Pool 198	\$1,789,655,740	\$159,850,273	8.93%
	\$1,789,655,740	\$159,850,273	

Treasury amended the collateral guidelines pertaining to its Securities Lending Program to provide the Commonwealth with additional protections in the wake of the collapse of Sigma Finance Inc. On October 8, 2008, Sigma ceased operations. Five days later, it entered into receivership. Sigma was one of the securities in Treasury's security lending reinvestment portfolio at the time. The Commonwealth Investment Program realized a net loss of \$26.5 million on the Sigma notes. On November 17, 2010, the Commonwealth Investment Program received a distribution from the Sigma Receivers in the amount of \$1.4 million.

Under the new collateral guidelines, Treasury will only accept cash collateral on loans of securities related to Treasury funds. This cash collateral can be invested in U.S. Treasury notes, bonds, and bills, Federal Agency securities, and repurchase agreements backed by the above securities subject to a minimum of 102% collateralization with daily updated valuation. As of June 30, 2011, repurchase agreements composed 100% of the Cash Collateral Reinvestment Pool.

Bank of New York Mellon (BNYM) Asset Servicing administers the Security Lending Program. A copy of the Security Lending Authorization with BNYM is available upon request by contacting the Office of External Affairs at 717-787-2991.

PROXY VOTING

Treasury – via its third-party proxy voting agent, Glass Lewis - uses specific proxy voting guidelines to voice its positions as an institutional investor. Under its arrangement with Treasury, Glass Lewis is responsible for executing proxy votes in a timely manner, maintaining records of all voting decisions, and reconciling proxy ballots for all accounts it manages on Treasury’s behalf. While Glass Lewis is required to vote all proxies in accordance with Treasury’s proxy voting guidelines, Treasury reserves the right to specifically approve or determine any vote, either by issue or by security, if it chooses to deviate from its guidelines.

In FY 10-11, Glass Lewis voted 384 ballots. Those ballots contained 3,269 proposals, of which 3,099 represented management proposals and 170 represented shareholder proposals.

To obtain a copy of the Proxy Policy Guidelines, contact Treasury’s Office of External Affairs at 717-787-2991.

SECURITIES LITIGATION

Treasury did not actively participate in any securities litigation in FY 10 – 11.

COMMONWEALTH INVESTMENT PROGRAM SHAREHOLDER SUMMARY

FUND #	NAME	SHARES	COST BASIS	MV POOL 198	MV POOL 99	TOTAL MV
1	General	-	\$ -	\$ -	\$4,402,015,908	\$4,402,015,908
2	Lottery	50,573,770	50,585,119	51,812,827	192,146,792	243,959,620
3	Wild Resource	-	-	-	194,224	194,224
4	Energy Development	5,057,377	5,058,512	5,181,283	3,132,014	8,313,297
5	State Racing	15,172,131	15,175,536	15,543,848	7,221,357	22,765,205
6	Hazardous Sites Cleanup	17,195,082	17,198,940	17,616,361	23,858,755	41,475,116
7	Highway Beautification	-	-	-	373,541	373,541
8	Environmental Stewardship	60,688,524	60,702,143	62,175,393	6,443,538	68,618,931
9	Recycling Fund	50,573,770	50,585,119	51,812,827	3,782,717	55,595,544
10	Motor License	1,287,406,280	1,287,695,183	1,318,947,734	434,607,211	1,753,554,944
11	Game	40,459,016	40,468,095	41,450,262	7,309,368	48,759,630
12	Fish	35,401,639	35,409,583	36,268,979	20,874,429	57,143,408
13	Banking	10,114,754	10,117,024	10,362,565	4,749,171	15,111,736
14	Milk Marketing Board	-	-	-	3,510,553	3,510,553
15	State Farm Products	-	-	-	962,677	962,677
16	Oil & Gas Lease	15,172,131	15,175,536	15,543,848	31,402,466	46,946,314
17	State Treasury Armory	-	-	-	3,117,966	3,117,966
18	Historical Preservation	-	-	-	2,926,402	2,926,402
19	PA Infrastructure Bank	50,573,770	50,585,119	51,812,827	8,111,033	59,923,860
20	Surface Mining Conserv.	60,688,524	60,702,143	62,175,393	7,511,374	69,686,766
21	Special Administration	-	-	-	5,919,784	5,919,784
22	Capitol Restoration Trust	-	-	-	408,362	408,362
23	Vocational Rehabilitation	-	-	-	11,540,464	11,540,464
24	Pharmaceutical Assis	20,460,107	20,463,976	20,961,379	44,373,699	65,335,078
25	Boating	22,252,459	22,257,452	22,797,644	405,855	23,203,499
26	Administration	-	-	-	406,884	406,884
27	Liquid Fuels Tax	-	-	-	5,465,845	5,465,845
28	Liquor License	-	-	-	2,570,564	2,570,564
29	Fire Insurance Tax	-	-	-	138,630,587	138,630,587
30	Volunteer Companies Loan	30,344,262	30,351,071	31,087,696	16,358,710	47,446,406
31	Manufacturing	15,172,131	15,175,536	15,543,848	11,306,758	26,850,607
32	Purchasing	-	-	-	30,754,381	30,754,381
33	Employment for the Blind	-	-	-	2,412,761	2,412,761
34	Industrial Development	-	-	-	47,006	47,006
35	Nursing Home Loan Dev.	-	-	-	-	-
36	Disaster Relief	-	-	-	-	-
37	Pennvest Drinking Water	46,625,302	46,635,765	47,767,622	12,340,626	60,108,248
39	Land & Water Development	-	-	-	522,450	522,450
40	Water Facilities Loan	-	-	-	-	-
41	Capital Loan	-	-	-	-	-
42	PA Economic Revitalization	-	-	-	909,197	909,197
43	Deferred Compensation	-	-	-	-	-
44	Land & Water Dev. Sinking	-	-	-	353,802	353,802
45	Sinking	-	-	-	145,245	145,245
46	Nursing Home Loan Sinking	-	-	-	-	-
47	PA Economic Rev. Sinking	-	-	-	-	-
48	Project 70 Land Acquisition	-	-	-	-	-
49	Tax Note Sinking	-	-	-	-	-
50	Water Facilities Loan	-	-	-	-	-
51	Conrad Weiser Memorial Park	-	-	-	102,851	102,851
52	Judicial Admin Leave	-	-	-	3,026,232	3,026,232
53	PA Historical/Museum Comm.	-	-	-	182,383	182,383
54	Agric. College Land Script	-	-	-	621,780	621,780
55	State College Exper. Farm	-	-	-	24,206	24,206
56	State School	-	-	-	661,090	661,090
57	Vietnam Conflict Vet. Comp	-	-	-	-	-
58	State Insurance	9,125,075	9,127,123	9,348,639	877,354	10,225,993
59	Federal Revenue Sharing Trust	-	-	-	-	-
60	Disaster Relief Redemption	-	-	-	-	-
61	State Employees Retirement	-	-	-	-	-
62	Public School Employees' Retirement	-	-	-	-	-
66	Clean System Upgrade	-	-	-	86,109	86,109
67	Workmen's Compensation	-	-	-	-	-
68	Energy Conserv. & Assist	-	-	-	6,888	6,888
69	Workmens' Compens. Super.	-	-	-	7,388,922	7,388,922
70	Medical Profess. Liability	-	-	-	-	-
71	Tobacco Settlement	-	-	-	-	-
72	Real Estate Recovery	-	-	-	372,353	372,353
73	Noncoal Surface Mining Conserv.	12,137,705	12,140,429	12,435,079	1,190,156	13,625,234
74	Social Security Contribution	-	-	-	-	-
75	PSERS Health Insurance Fund	-	-	-	-	-
76	Municipal Pension Aid	-	-	-	355,804,514	355,804,514
77	Supplemental Municipal Pension	-	-	-	82,276	82,276
78	PA Municipal Employ Retire	-	-	-	7,146,938	7,146,938

The Pennsylvania Treasury Annual Investment Report

FUND #	NAME	SHARES	COST BASIS	MV POOL 198	MV POOL 99	TOTAL MV
79	Higher Ed. Assistance	101,147,540	101,170,238	103,625,654	306,804,501	410,430,155
80	Emergency Med. Oper. Serv.	15,323,218	15,326,657	15,698,637	3,275,794	18,974,431
81	State Restaurant	-	-	-	1,504,812	1,504,812
82	State Workmens Insurance	-	-	-	28,980,442	28,980,442
83	Solid Waste	-	-	-	501,838	501,838
84	State Stores	-	-	-	92,384,363	92,384,363
85	Rehabilitation Center	-	-	-	1,715,896	1,715,896
86	Coal & Clay Mine Sub Ins.	70,803,278	70,819,167	72,537,958	15,920,894	88,458,852
87	Coal Lands Improvement	-	-	-	2,771,125	2,771,125
88	Minority Business Development	-	-	-	4,149,769	4,149,769
91	Capital Debt	-	-	-	1,542,664	1,542,664
92	Volunteer Companies	-	-	-	-	-
93	Budget Stabilization Reserve Fund	-	-	-	60,815	60,815
94	Tax Stabilization Reserve	-	-	-	-	-
96	PA Veterans' Memorial Trust	-	-	-	351,907	351,907
97	Anthracite Emergency Bond	-	-	-	549,059	549,059
101	Low Level Waste	-	-	-	-	-
104	PA Infrastructure Invest. Authority	194,966,557	195,010,309	199,743,238	21,703,322	221,446,560
105	Pennvest Bonds Authority	-	-	-	143,914	143,914
106	Pennvest Revolving	-	-	-	35,401	35,401
107	Pennvest Non Revolving Equity Fund	-	-	-	29,580	29,580
108	Pennvest Redemption	-	-	-	1,785,545	1,785,545
109	Pennvest Water Pollution	253,323,831	253,380,679	259,530,265	31,572,889	291,103,154
110	Deferred Compensation	-	-	-	-	-
111	Machinery & Equipment Loan	55,631,147	55,643,631	56,994,110	38,121,196	95,115,306
112	Insurance Liquidation	55,631,147	55,643,631	56,994,110	27,556,981	84,551,091
113	Agricultural Conservation	-	-	-	9,845,439	9,845,439
114	Agr. Conserv. Easement	-	-	-	-	-
115	Children's Trust	-	-	-	1,818,814	1,818,814
116	Revolving Aid Fund	-	-	-	4,866,766	4,866,766
117	Catastrophic Loss Benefit	91,032,786	91,053,214	93,263,089	7,465,129	100,728,218
118	Storage Tank Fund	-	-	-	11,674,173	11,674,173
119	Underground Storage Tank	17,195,082	17,198,940	17,616,361	10,089,404	27,705,765
121	Resting Facilities Siting	-	-	-	569	569
123	Motor Vehicle Trans. Rec.	-	-	-	2,126,722	2,126,722
125	Hazardous Material Response	4,066,842	4,067,754	4,166,479	680,492	4,846,972
126	PHFA Home Buyer Fund	-	-	-	-	-
127	Local Govt. Cap. Loan	-	-	-	2,702,182	2,702,182
128	Local Sales and Use Tax	-	-	-	19,582,110	19,582,110
129	PICA	-	-	-	3,054,039	3,054,039
130	Public Transportation	-	-	-	6,986,345	6,986,345
131	Acid Mine Drain	15,172,131	15,175,536	15,543,848	9,311,745	24,855,594
132	PHFA Investment	-	-	-	-	-
133	Local Crime Justice	-	-	-	154	154
134	Local Crime Justice Sink	-	-	-	1,322,765	1,322,765
136	Global Security Lending Revenue Invest	-	-	-	-	-
137	Refund of Axle Tank	-	-	-	-	-
138	Clean Air	45,516,393	45,526,607	46,631,544	14,301,510	60,933,055
139	Home Investment Trust	-	-	-	79,046	79,046
140	Phila. Reg. Port Author.	-	-	-	1,075,060	1,075,060
141	Port of PGH Commission	-	-	-	5,882,958	5,882,958
143	Tuition Acct Guaranteed Saving Program	-	-	-	-	-
144	Pennvest Trustee	-	-	-	9,142	9,142
145	Remining Environment	-	-	-	19	19
146	Remining Financial Assurance	-	-	-	3,275,574	3,275,574
147	Environmental Education	-	-	-	1,369,842	1,369,842
148	Self-Ins. Guaranty	40,459,016	40,468,095	41,450,262	4,755,231	46,205,493
149	Keystone Recreation, Park	75,860,655	75,877,678	77,719,241	14,033,301	91,752,542
150	Kestone Rec/Park-Sink	-	-	-	-	-
151	PA Employee Benefit Trust	8,091,803	8,093,619	8,290,052	4,049,025	12,339,077
152	Nutrient Mgmt	-	-	-	1,503,231	1,503,231
153	Allegh. Reg. Asset Tax	-	-	-	13,954,116	13,954,116
154	Ben Franklin/IRC Partnership	-	-	-	-	-
155	Organ Donation	-	-	-	2,598,829	2,598,829
156	Insurance Fraud	-	-	-	1,056,313	1,056,313
157	Automobile Theft	-	-	-	15,026	15,026
158	Industrial Sites Cleanup	10,114,754	10,117,024	10,362,565	3,853,721	14,216,287
159	DNA Detection	-	-	-	8,389,425	8,389,425
160	Small Business First	50,573,770	50,585,119	51,812,827	20,107,063	71,919,891
161	Ben Franklin Tech Development	-	-	-	25,075,135	25,075,135
162	M-Care	50,573,770	50,585,119	51,812,827	151,561,533	203,374,361
163	Patient Safety Trust Fund	-	-	-	6,836,851	6,836,851
164	Substance Abuse Education & Demand Reduction Fund	8,091,803	8,093,619	8,290,052	5,009,927	13,299,979
165	Benefits Completion Plan Fund	-	-	-	-	-

FUND #	NAME	SHARES	COST BASIS	MV POOL 198	MV POOL 99	TOTAL MV
166	Wireless E-911 Emergency Services Fund	-	-	-	7,513,234	7,513,234
167	Rightful Owners Claims Payment Fund	-	-	-	30,581	30,581
168	State Gaming Fund	-	-	-	176,043,758	176,043,758
169	Compulsive and Problem Gambling Treatment Fund	-	-	-	10,625,890	10,625,890
170	Property Tax Relief Fund	-	-	-	518,016,476	518,016,476
171	PA Gaming Econ Dev & Tourism Fund	-	-	-	73,140,971	73,140,971
172	Pennsylvania Race Horse Development Fund	-	-	-	9,600,220	9,600,220
173	Emergency Energy Assistance Fund	-	-	-	4	4
174	Broadband Outreach and Aggregation Fund	-	-	-	3,780,045	3,780,045
175	Education Technology Fund	-	-	-	4,677,946	4,677,946
176	Educational Assistance Program Fund	-	-	-	516,107	516,107
177	Job Training Fund	-	-	-	3,035,688	3,035,688
178	Community College Capital Fund	-	-	-	2,659,290	2,659,290
179	Growing Greener Bond Fund	-	-	-	28,651,931	28,651,931
180	Growing Greener Bond Sinking Fund	-	-	-	-	-
181	Water Supply and Wastewater Treatment Fund	-	-	-	32,923,683	32,923,683
182	Water Supply and Wastewater Treatment Sinking Fund	-	-	-	-	-
183	Conservation District Fund	-	-	-	872,294	872,294
184	Uninsured Employers Guaranty Fund	-	-	-	285,117	285,117
185	Persian Gulf Conflict Veterans' Compensation Bond Fund	-	-	-	3,115,363	3,115,363
186	Persian Gulf Conflict Veterans' Compensation Bond Sinking Fund	-	-	-	-	-
187	The Public Transportation Trust Fund	75,860,655	75,877,678	77,719,241	37,060,116	114,779,357
190	Fire Prevention and Public Safety Fund	-	-	-	1	1
191	Cigarette Fire Safety and Firefighter Protection Act Enforcement Fund	-	-	-	216,900	216,900
192	Mine Safety Fund	-	-	-	60,472	60,472
193	Water Resources Fund	-	-	-	-	-
194	Water and Sewer Assistance Bond Fund	-	-	-	4,937,907	4,937,907
195	Water and Sewer Assistance Bond Sinking Fund	-	-	-	-	-
196	Keystone Help Program	2,062,391	2,068,257	2,112,919	-	2,112,919
196A	Keystone Help Program-A	68,689	70,222	70,372	-	70,372
197	Special Juvenile Victim Compensation Fund	-	-	-	500,655	500,655
199	Unemployment Com Interest	-	-	-	-	-
201	Housing Affordability and Rehabilitation Enhancement Fund	-	-	-	-	-
381	101-CF New Equipment	-	-	-	4,113,150	4,113,150
382	102-CF Public Improvement	-	-	-	59,451,909	59,451,909
384	104-CF TAP	-	-	-	50,946,087	50,946,087
386	106-CF St. Pub. Sch. Bldg.	-	-	-	3,554	3,554
387	107-CF Redev. Asst. Proj.	-	-	-	1,030,382	1,030,382
389	109-CF Flood Control Proj.	-	-	-	12,125,018	12,125,018
391	111-CF General Services	-	-	-	4,082,591	4,082,591
394	113-CF Bridge Projects	-	-	-	71,226,414	71,226,414
395	114-CF Highway Projects	-	-	-	-	-
451	Chester Downs	-	-	-	1,500,000	1,500,000
452	Pocono Downs	-	-	-	1,500,000	1,500,000
453	Philadelphia Park	-	-	-	1,500,000	1,500,000
454	Penn National	-	-	-	1,500,000	1,500,000
455	The Meadows	-	-	-	1,500,000	1,500,000
456	Sugar House Casino	-	-	-	1,500,000	1,500,000
457	Foxwoods Casino Philadelphia	-	-	-	-	-
458	PITG Gaming Casino	-	-	-	1,500,000	1,500,000
459	Mount Airy Casino	-	-	-	1,500,000	1,500,000
460	Sands Bethworks Casino	-	-	-	1,500,000	1,500,000
461	Presque Isle Downs	-	-	-	1,500,000	1,500,000
466	Valley Forge Casino	-	-	-	-	-
	Totals	3,096,761,063	\$3,097,462,196	\$3,172,631,709	\$7,924,723,709	\$11,097,355,417



Rob McCord, State Treasurer | Pennsylvania Treasury | 129 Finance Building | Harrisburg, PA 17120
www.patreasury.gov