



ANNUAL INVESTMENT REPORT

Fiscal Year Ending June 30, 2018

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.



TREASURY DEPARTMENT
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG, PA 17120

November 30, 2018

The Honorable Thomas W. Wolf
Governor
Commonwealth of Pennsylvania
Room 225 Main Capitol Building
Harrisburg, Pennsylvania 17120

RE: Pennsylvania Treasury Annual Investment Report

Dear Governor Wolf:

I am pleased to present the Pennsylvania Treasury 2018 Annual Investment Report pursuant to Act 53 of 2008.

As State Treasurer, I've emphasized the importance of prudent investing and transparency, and the Department has taken major steps to support that charge. I am pleased to highlight that the new, low-cost indexing investment strategy first announced in 2017 that transitioned public equity investment holdings has saved more than initial estimates. Over the past year, this move has saved \$5.8 million in fees. The Department expanded this investment strategy in May to include the publically-traded fixed income portfolio. Combined with the Treasury's earlier transition in 2017 of public equity investment holdings, the department will save nearly \$9 million per year in fees, totaling approximately \$300 million when compounded over 20 years.

In addition, Treasury more recently set a new standard for fee transparency by mandating the disclosure of all fees paid by the department for the management of Commonwealth assets, whether paid directly or indirectly. Treasury now discloses carried interest, sub-manager, and base management fees, joining leading funds around the country who understand that fee transparency serves the interests of investors, in our case, the taxpayers of Pennsylvania.

We will continue to improve and innovate, and by sending less of our taxpayer money to Wall Street, keep more of it working on behalf of all Pennsylvanians.

Additionally, Treasury has seen tremendous growth in the PA ABLE program for people with disabilities. Collectively, these families have now saved more than \$10 million for their futures, and Pennsylvania continues to lead the nation with one of the most successful ABLE programs.

Good fiscal health will equip the Commonwealth to meet financial challenges that arise and improve economic security for all of its citizens. This report exemplifies the commitment of the Treasury Department to serve the people of Pennsylvania, through the commitment to pursue prudent, cost-efficient investments of public funds.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Joseph M. Torsella
State Treasurer

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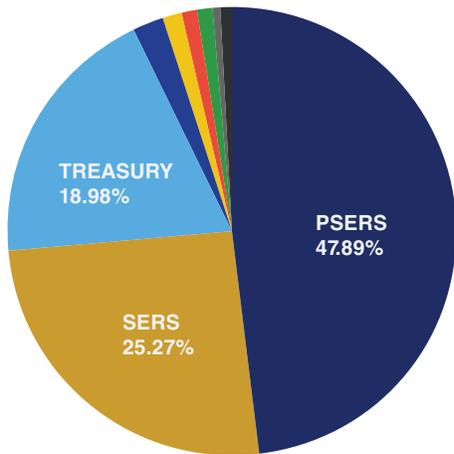


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About the Pennsylvania Treasury

Pennsylvania Treasury

Pennsylvania's Constitution established the Pennsylvania Treasury Department as an independent executive office. The State Treasurer 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 \$115 billion as of June 30, 2018. The composition of those funds is provided in the following chart. This role also requires the Treasurer to collect interest and dividends, execute securities transactions, and handle daily trade settlements.

PROGRAMS	NET ASSET VALUE	% UNDER CUSTODY
Public School Employees' Retirement System (PSERS)	\$55,075,454,474	47.89%
State Employees' Retirement System (SERS)	\$29,062,109,539	25.27%
Treasury Total ⁽¹⁾	\$21,828,370,064	18.98%
Pennsylvania Municipal Retirement System (PMRS)	\$2,511,569,829	2.18%
Refunding Bond Issuances	\$1,668,915,155	1.45%
State Workers' Insurance Fund (SWIF)	\$1,363,377,712	1.19%
Deferred Compensation	\$1,044,359,278	0.91%
Commonwealth Financing Authority (CFA)	\$850,107,889	0.74%
Workers' Compensation Security Fund (WCSF)	\$706,512,559	0.61%
Post Employment Benefits Other Than Pensions (OPEB) ⁽²⁾	\$463,160,253	0.40%
Underground Storage Tank Indemnification Fund (USTIF) ⁽²⁾	\$218,686,083	0.19%
Pennsylvania Industrial Development Authority (PIDA) ⁽²⁾	\$191,324,704	0.17%
Achieving a Better Life Experience ⁽²⁾	\$8,222,770	0.01%
State Employees' Retirement System Benefit Completion Plan (SERS BCP) ⁽²⁾	\$532,763	0.00%
TOTAL UNDER CUSTODY	\$114,992,703,072	100%

⁽¹⁾ Treasury Total includes those Treasury programs and pools that directly fall under Treasury's investment authority, including Pool 198, Pool 99, PA 529 College Savings Program, and others.

⁽²⁾ Not reflected in the chart due to the small portfolio NAV in relation to the other portfolios.

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

Investment Philosophy:

In discharging his investment duties, the Treasurer is guided by the following investment principles:

1. Manage Risk

Investment returns are volatile and the performance of active investment managers, in every asset class, is inconsistent over time. As such, instead of chasing investment returns, investors are better served using their time to identify, understand, and manage risk exposures.

2. Diversify

Diversification across asset classes is critical to building a durable and balanced portfolio. Investing requires one to take risks, but diversification reduces the impact of losses in one area on the broader portfolio.

3. Reduce Costs

Reducing costs dramatically improves the long term health of an investment portfolio. Every dollar paid in fees, never comes back to the fund, but a dollar saved is invested and compounds over time.

4. Discipline

Investors can be more successful when they build discipline into the process from the beginning. Having a plan, for rebalancing and dividend reinvestment, helps investors remain committed to the investment program, by preventing the impulsive behavior or paralysis, which can hurt investors during periods of market uncertainty.

This philosophy is evident in the simplified investment structures being deployed across Treasury portfolios. Since investment returns are unpredictable, these portfolios aim to manage risk and reduce costs. This results in the broad usage of low cost index vehicles, but is not merely a "passive" approach. Rather, it is an intentional implementation strategy, linked to a specific asset allocation plan that uses investments that are easily defined, managed, and rebalanced. These decisions create a more efficient portfolio, which should improve the long-term results of the funds.

Investment Changes in the Last Year:

1. 100% of Treasury's Equity Investments have been transitioned to index strategies.

- a.** Several index positions were established as separately managed accounts (SMA), which allows Pennsylvania to engage with corporations as shareholders, and opens a dialogue with corporations about issues of importance to Pennsylvania. In the last fiscal year we have engaged with companies regarding their culpability in the opioid epidemic, which is costing Pennsylvania millions of dollars and more importantly hundreds of lives.

- b.** Treasury added a Global Minimum Volatility Fund, which is constructed using the framework of S&P's Minimum Volatility Index and determines the stock's weight in the portfolio based on its volatility (instead of market capitalization). This was a way to add international diversification, without much of the volatility that typically accompanies such investments.

2. Treasury's Fixed Income portfolio was transitioned to index strategies at the end of the fiscal year

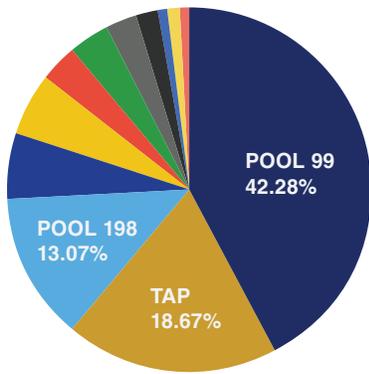
- a.** By focusing on the asset allocations to sub-sectors of the Fixed Income universe, Treasury crafted a more efficient Fixed Income portfolio, which provides greater control over the primary risk components. The expected result is that Treasury's portfolio will deliver the same level of returns as the broader Fixed Income market, but will do so with less expected risk and reduced management costs significantly.
- b.** In a few cases, Fixed Income Indexes are not directly investable. In these instances, Treasury has hired managers to provide the desired investment exposure at management fees comparable to index funds.

3. Fee Transparency and Fee Reduction

- a.** Treasury has identified over \$23 million in fees (including the 529 GSP which is not included in this report) that are paid directly from the funds to investment managers, but were not previously reported. Some of these assets are in illiquid structures, but Treasury anticipates it will reduce these fees by redeploying the assets in lower cost strategies, asset consolidation, and negotiations.
- b.** Annual Management Fees (excluding Carried Interest because it is variable) were reduced by 40% from the end of calendar year 2016, to the end of fiscal year 2018.

4. Enhancements to the 529 Investment Plan (IP)

- a.** Treasury lowered the costs of the IP by 24% to 32% (depending on the investments selected), by renegotiating contracts with Ascensus and Vanguard for the record keeping and investment management of the plan, respectively.
- b.** Improved the investment offering in the IP by adding international investments, which diversify the portfolios, and adding additional steps, which smooth the glide path for investors.



Of the approximately \$115 billion in state agency funds under Treasury custody on June 30, 2018, Treasury *directly managed* \$24.4 billion, as illustrated here:

PROGRAMS	NET ASSET VALUE	% UNDER CUSTODY
Pool 99	\$10,323,042,439	42.28%
PA 529 College and Career Savings Program (TAP) ⁽¹⁾	\$4,557,821,892	18.67%
Pool 198	\$3,190,471,171	13.07%
SWIF	\$1,363,377,712	5.58%
Pool 124	\$1,352,229,265	5.54%
INVEST	\$845,467,579	3.46%
CFA	\$850,107,889	3.48%
WCSF	\$706,512,559	2.89%
OPEB	\$463,160,253	1.90%
Float	\$230,101,287	0.94%
USTIF	\$218,686,083	0.90%
PIDA	\$191,324,704	0.78%
Fund 65 ⁽²⁾	\$90,031,270	0.37%
HES ⁽²⁾	\$17,480,589	0.07%
Treasury Programs ⁽²⁾	\$8,484,304	0.03%
Pennvest ⁽²⁾	\$4,862,255	0.02%
PennSef ⁽²⁾	\$2,702	0.00%
TOTAL DIRECTLY MANAGED	\$24,413,163,953	100%

Pool 99 is the Commonwealth Operating Funds Liquidity Pool.

Pool 198 is the Commonwealth Operating Funds Investment Pool.

Pool 124 is comprised of uninvested cash of Commonwealth agencies' investment managers as of June 30, 2018.

CFA is an independent agency of the Commonwealth administering Pennsylvania's economic stimulus packages.

OPEB is a pool for other post-employment benefits.

PIDA is an independent agency of the Commonwealth that provides low interest loans and lines of credits to eligible businesses that commit to creating and retaining full time jobs and for the development of industrial parks and multi-tenant facilities.

Fund 65 is the Workers Compensation Security Fund.

HES is a program that provides investment management services for monies from higher education institutions.

Treasury Programs are comprised of multiple internally managed programs.

Float is a one-day investment of expended but uncashed payments at Commonwealth depositories.

⁽¹⁾ TAP NAV does not include \$184,805,603 investment in Pool 124. Total TAP NAV including 124 investment is \$4,742,627,496.

⁽²⁾ Not reflected in the chart due to the small portfolio NAV in relation to the other portfolios.

For fiscal year 2017-18, Pennsylvania Treasury's General Fund General Government Operations appropriation equaled approximately \$37 million. It ended the fiscal year with a staff of 373 employees. The state's current Treasurer, Joseph M. Torsella, took office in January 2017.

In addition to managing funds and investments on behalf of state agencies, the Treasurer's investment function also serves families and local governments, as well as charitable and nonprofit organizations through three specialized Treasury programs: the ABLE Program, the PA 529 College Savings Program, and the INVEST Program.

Treasury's ABLE program provides individuals with qualified disabilities and their families a tax advantaged means to save for disability-related expenses while maintaining government benefits. The Pennsylvania ABLE program was authorized by the Federal Achieving a Better Life Experience (ABLE) Act of 2013. The ABLE Act amends Section 529 of the Internal Revenue Service Code of 1986. These accounts can be used to cover qualified expenses such as, but not limited to, education, housing and transportation.

The Pennsylvania General Assembly enacted legislation in 2016, signed into law by Governor Wolf, authorizing Treasury to create ABLE accounts under the Federal ABLE Act. Treasury launched PA ABLE in April 2017, and has to date enrolled more than 1,705 accounts surpassing \$10 million in assets. PA ABLE funds are invested in products offered by Blackrock, Charles Schwab, Sallie Mae, Vanguard, and in a FDIC insured bank account offered by Fifth Third Bank.

Treasury's PA 529 College Savings Program consists of two plans: the PA 529 Guaranteed Savings Plan (GSP) and the PA 529 Investment Plan (IP). Treasury is responsible for investing contributions to GSP accounts, while savings in the IP are invested in 16 different mutual fund options from The Vanguard Group with oversight from Treasury. As of June 30, 2018, more than 107,600 accounts comprised the PA 529 GSP and over 120,000 accounts used the IP to help save for higher education..

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 Daily Fund and the INVEST Community Fund. The program also offers periodic custom investment opportunities for longer-term investment needs. Treasury administers the INVEST Daily Fund on behalf of local governments within Pennsylvania. The INVEST Community Fund is a very similar fund administered on behalf of participating Pennsylvania non profits.

PRUDENT INVESTOR STANDARD

Act 53 of 2008 modified the Treasurer's investment authority from a "Prudent Person" to a "Prudent Investor" standard, including specific investment criteria accounting for economic conditions, liquidity, maintenance of principal and other factors. The standard requires Treasury's chief executive to act as a fiduciary with care, skill, prudence and diligence given 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, invest time horizons, and risk tolerance. These judgments must also take into account different legal standards that limit the particular kinds of investments each fund could hold.

Treasurer Torsella continually seeks quality investments – those that protect principal while tracking the performance of the benchmarks - in order to maximize the benefits 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.

The department's investment staff manages 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 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 distributed \$10,695,026 in earnings to participants in fiscal year 2017-18. As of June 30, 2018, there were 463 participants in the two pools.



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Overview of the Commonwealth Investment Program

About Pool 99 and Pool 198

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 each operating fund's liquidity needs. Accordingly, Treasury's Commonwealth Investment Program consists of two separate pools.

The first, known as Pool 99, maintains a stable net asset value of \$1 per share by investing exclusively in high quality fixed-income securities, primarily of short duration. Thus, Pool 99 is designed to generate income while minimizing investment volatility. This protects principal and ensures 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. This variable net asset value 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 in 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.

Expansion of Indexing Investment Strategy

In May 2018, Treasury announced the expansion of the Department's indexing investment strategy to include the publically-traded fixed income portfolio. More than \$2.9 billion in fixed income investment holdings were transitioned from active managers to lower-cost indexing strategies that will result in an estimated savings of \$3.78 million annually paid in fees, and almost \$110 million in additional savings when compounded at 3.5% over 20 years.

Combined with the Department's earlier transition in 2017 of public equity investment holdings, the Department will save nearly \$9 million per year in fees, totaling approximately \$300 million when compounded over 20 years.

**APPROXIMATELY
\$300 MILLION WILL
BE SAVED IN FEES
WHEN COMPOUNDED
OVER 20 YEARS.**

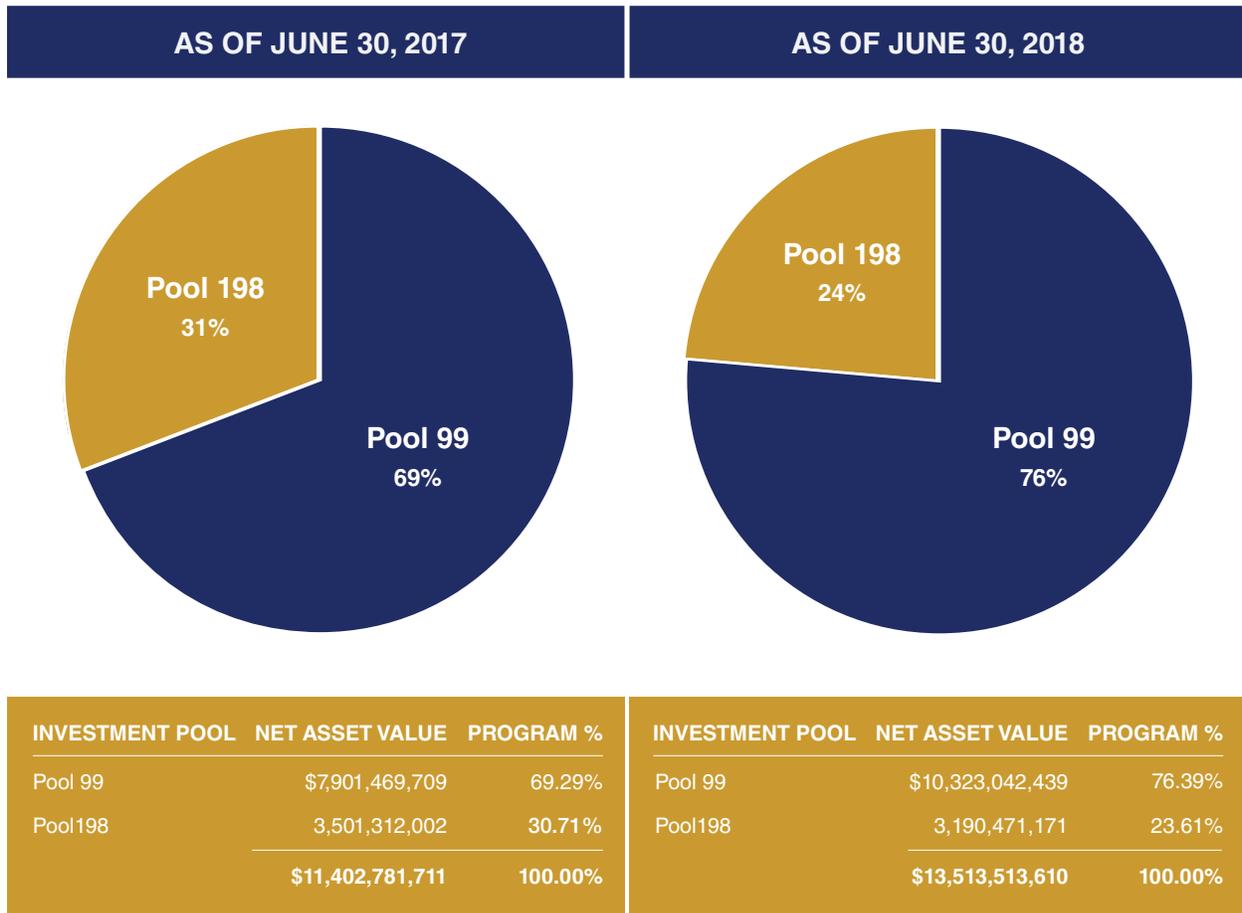


Fiscal Year 2017-18 Change in Balances

The fiscal year 2017-18 combined balance for the Commonwealth Investment Programs increased from fiscal year 2016-17. On June 30, 2017, the combined net asset value of Pool 99 and 198 was approximately \$11.40 billion. One year later, the pools' NAV increased to \$13.51 billion, which represented an increase of \$2.11 billion, or 18.51%.

As illustrated in the charts below, the balance in Pool 99 increased by approximately \$2.4 billion, or 31%, during this period, while the balance in Pool 198 decreased by approximately \$311 million, or 9%.

Commonwealth Investment Program Summary



The balance in Pool 99 increased by approximately \$2.4 billion. This significant increase is comprised of residual Fund balances for the General Fund and Capital Facilities Fund resulting from the Tobacco Bond Settlement and General Obligation Bonds issued during the last two quarters of the Fiscal Year.

The balance in Pool 198 decreased by approximately \$311 million due to a redemption by the Motor License Fund of \$421 million. The cash was transferred in August 2017 to the General Fund as a loan and advance payment of monthly transfers.



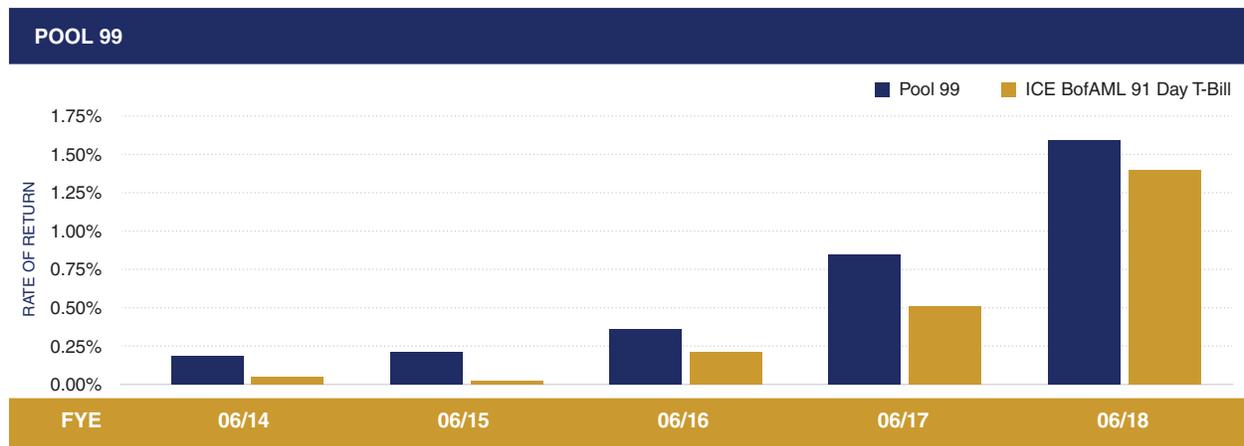
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Statutory Annual Investment Reporting Requirements

Pool 99 (Short-Term Investment Pool)

The Short-Term Investment Pool seeks to generate income and minimize investment volatility and therefore invests in only fixed income securities and cash equivalents¹, such as commercial paper, certificates of deposit, money market funds, and repurchase agreements. The portfolio is managed to not exceed a weighted average maturity (WAM) of 130 days and performance is compared to the ICE Bank of America Merrill Lynch 91 Day Treasury Bill Index—an index that measures the performance of the 3-month U.S. Treasury Bill.

The Short-Term Investment Pool's one-year return was 1.55% which exceeded its benchmark's return of 1.36% by 0.19%. In total, the Short-Term Investment Pool distributed \$103,848,331 to its participants during last fiscal year. The graph below shows current and historical fiscal year returns for the Short-Term Investment Pool and its benchmark.

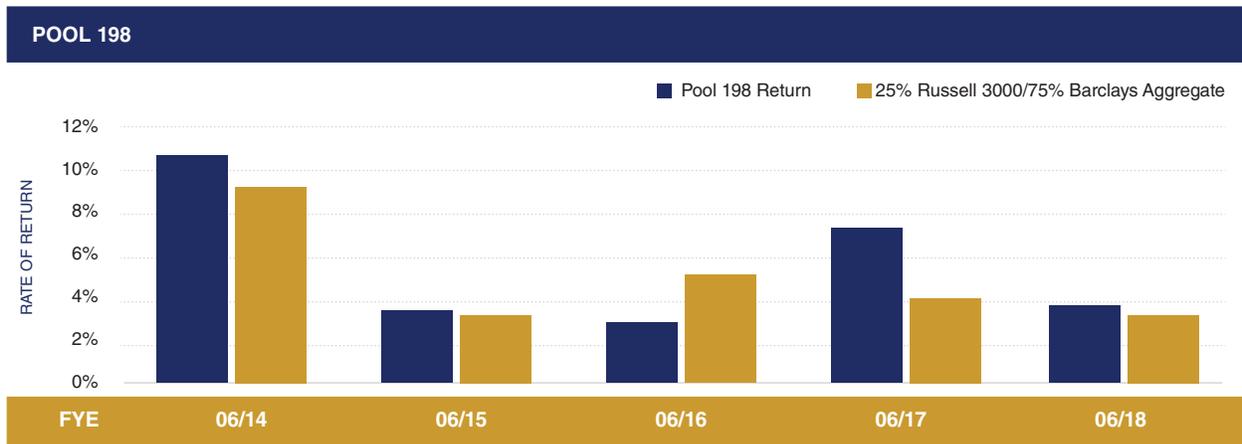


Pool 198 (Long-Term Investment Pool)

The Long-Term Investment Pool seeks to generate both income and capital appreciation over longer periods of time. Treasury is able to invest in a diversified mix of assets due to the longer term nature of the funds.

Pool 198's one-year return was 3.78% which exceeded its benchmark's return of 3.28% by 0.50%. Investment earnings distributed to participants of Pool 198 for the fiscal year ending June 30, 2018 totaled \$79,077,568. One-year returns for the Long-Term Investment Pool and its benchmark for the most recent and prior four fiscal years are displayed in the graph on the next page.

⁽¹⁾ A portion of the Short-Term Investment Pool is invested in time deposits held within Pennsylvania banking institutions.



Long-Term Investment Pool: Five-Year Growth

Despite the market volatility over the last several years, the Long-Term Investment Pool continued to see significantly strong returns. During the five most recent fiscal years, assets in the Long-Term Investment Pool grew due to both earnings and cash flow increases related to participant activity by more than \$874 million, despite \$423 million of withdrawals during FYE June 2018. The growth is illustrated in the graph to the right.



Quarterly Asset Allocation

The Long-Term Investment Pool seeks to generate both income and capital appreciation over longer periods of time. Treasury is able to invest in a diversified mix of assets due to the longer term nature of the funds.

The table below shows the Long-Term Investment Pool’s actual asset allocations compared to their corresponding targets for the quarters ending on the dates shown.

LONG-TERM INVESTMENT POOL ASSET CLASS	TARGET ALLOCATION	9/30/17	12/31/17	3/31/18	6/30/18
Fixed Income (including Cash & Cash Equivalents)	55%-70%	65%	63%	67%	65%
Equity & Alternatives	30%-45%	35%	37%	33%	35%

Approximately 51% of the Long-Term Investment Pool is invested in index strategies, which utilize exchange-traded funds (ETFs) and mutual funds to obtain exposure to certain asset classes at a lower cost.

Treasury also invests a portion of its Long-Term Investment Pool 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 above-market rates of return on the Commonwealth's assets. Treasury's SIOs include the Keystone Home Energy Loan Program, State of Israel Bonds, and the PHEAA HelpStart Program.

Approximately 9% of the Long-Term Investment Pool's assets were invested in SIOs on June 30, 2018.

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 to offer a comparative analysis of performance or risk by reflecting a representative asset class or allocation.

Returns by Asset Class

Treasury measures the performance of its asset classes against the respective benchmarks. For the fiscal year ended June 30, 2018, Treasury exceeded its benchmark for Pool 99 by 19 basis points. Treasury also exceeded its benchmarks for the Long-Term Investment Pool by 55 basis points, 103 basis points, and 222 basis points respectively.

The Long-Term Investment Pool Asset Class Returns (Net of Fees)

ASSET CLASS	BENCHMARK	FY 17-18 RETURN	BENCHMARK RETURN	OVER/UNDER PERFORMANCE VS BENCHMARK
Equity	75% Standard & Poor's 500 Index 25% MSCI ACWI ex U.S. Index	13.15%	12.60%	0.55%
Fixed Income (including Cash & Cash Equivalents)	83% Barclays Capital U.S. Aggregate Bond Index 17% ICE Bank of America Merrill Lynch 6-Month U.S. Treasury Bill Index	0.94%	-0.09%	1.03%
Alternative	HFRI Fund of Funds Composite Index	6.34%	5.14%	1.20%

External Investment Managers: Selection, Fees, and Performance

The Pennsylvania Treasury employed nine external investment managers for the Long-Term Investment Pool as of June 30, 2018. The list includes principals and key staff, as well as the date each received funding for investments.

Long-Term Investment Pool: External Investment Manager List as of June 30, 2018

INVESTMENT MANAGERS	PRINCIPALS/KEY STAFF	TITLE	FUNDING DATE	SELECTION METHOD ⁽¹⁾	ASSET CLASS
Aksia LLC	Jim Vos	Chief Executive Officer	01/13	Negotiated	Alternative
	Joseph Larucci	Head of Equity Strategies			
	Simon Fludgate	Head of Operational Due Diligence			
	Maya Fishman	Head of Legal and Compliance			
BlackRock	Larry Fink	Chairman, Chief Executive Officer	11/17	Negotiated	Equity
	Rob Kapito	President			
	Gary Shedlin	Chief Financial Officer			
	Christopher Meade	Chief Legal Officer			
Blue Hill Investment Partners, LP	Joyce Ferris	Managing Partner & Founder	11/06	Negotiated	Alternative
	Emily Landsburg	Managing Partner			
	Karen Naughton	Business Manager			
Chartwell Investment Partners	Michael J. McCloskey	Dir. of Client Services, Managing Partner	09/03	Negotiated	Fixed Income
	Timothy J. Riddle	CEO, Managing Partner			
	G. Gregory Hagar	CFO, COO, Managing Partner			
	Brian J. Ward	Dir. of Retail Distribtn, Managing Partner			
Credit Suisse	Tidjane Thiam	Chief Executive Officer	12/09	Negotiated	Fixed Income
	David Mathers	Chief Financial Officer			
	Pierre-Olivier Bouee	Chief Operating Officer			
	James Amine	CEO Investment Banking & Capital Markets			
Federated Investors, Inc.	J. Christopher Donahue	President, CEO, Chairman	08/01	Negotiated	Fixed Income
	Gordon J. Ceresino	Vice Chairman			
	Thomas R. Donahue	Vice President, Treasurer, CFO			
	Eugene F. Maloney	Executive Vice President			
	Stephen Van Meter	VP, Chief Compliance Officer			
Intercontinental	Paul J. Nasser	CFO, COO	08/11	Negotiated	Alternative
	Thomas R. Taranto Jr.	Chief Investment Officer			
	Peter A. Palandjian	Chairman & CEO			
RhumbLine Advisers	Wayne T. Owen	Chief Executive Officer	1/16	Negotiated	Equity
	Kim Roger McCant	Chief Financial Officer			
	Alexander D. Ryer	Chief Investment Officer			
	Lisa A. Sheeler	Chief Compliance Officer, General Counsel			
Sound Point	Stephen J. Ketchum	Managing Partner, CIO	12/11	Negotiated	Fixed Income
	Wendy Ruberti	General Counsel, Chief Compliance Officer			
	Kevin P. Gerlitz	Chief Financial Officer			

⁽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.

Long-Term Investment Pool: External Manager Fees for 2017

MANAGERS	1ST QUARTER INVOICE AMT.	2ND QUARTER INVOICE AMT.	3RD QUARTER INVOICE AMT.	4TH QUARTER INVOICE AMT.	YTD TOTALS
BlackRock	\$-	\$-	\$-	\$8,541.67	\$8,541.67
Blue Hill	\$24,489.62	\$24,698.83	\$14,597.42	\$-	\$63,785.87
Blue Hill EEP	\$12,375.00	\$12,375.00	\$12,375.00	\$12,375.00	\$49,500.00
Chartwell	\$44,061.37	\$44,882.20	\$45,649.29	\$46,035.31	\$180,628.17
Community Cap Mgmt	\$58,738.46	\$59,082.74	\$60,437.24	\$61,581.56	\$239,840.00
COPA	\$283,346.96	\$249,344.73	\$230,228.97	\$216,689.48	\$979,610.14
Credit Suisse Alternative Capital	\$171,151.13	\$177,979.13	\$179,706.77	\$180,644.56	\$709,481.59
Federated	\$78,104.39	\$79,328.88	\$80,439.99	\$80,735.95	\$318,609.21
Fifth Third Asset Management, Inc.	\$10,496.60	\$10,524.02	\$10,590.58	\$10,617.54	\$42,228.74
Intercontinental	\$53,877.97	\$47,427.23	\$40,757.09	\$41,799.89	\$183,862.18
Mesirow	\$34,497.08	\$34,739.39	\$35,175.67	\$35,031.39	\$139,443.53
Perella Weinberg Partners	\$1,217,229.59	\$1,001,548.19	\$-	\$-	\$2,218,777.78
Rhumblin	\$-	\$-	\$32,269.00	\$33,568.00	\$65,837.00
RBC Global Asset MGM	\$36,593.94	\$43,530.20	\$-	\$-	\$80,124.14
Sound Point	\$45,180.00	\$42,878.00	\$44,107.00	\$43,259.00	\$175,424.00
VFAM (Sterling Asset Mgmt)	\$122,662.49	\$122,785.91	\$126,366.99	\$126,250.56	\$498,065.95
StoneRidge Investments	\$24,965.93	\$25,255.41	\$25,366.54	\$25,371.74	\$100,959.62
Swarthmore	\$187,055.59	\$75,879.11	\$-	\$-	\$262,934.70
Weaver Barksdale	\$161,554.26	\$163,142.69	\$136,215.32	\$80,989.43	\$541,901.70
TOTALS	\$2,566,380.38	\$2,215,401.66	\$1,074,282.87	\$1,003,491.08	\$6,859,555.99

ETF / MF / SUB-MANAGERS	CALCULATED ESTIMATES				
Aksia (COPA) Sub-managers*					\$7,954,697.00
Macquarie Pooled Trust High Yield Bond Portfolio	\$49,603.05	\$50,657.06	\$51,689.57	\$50,979.72	\$202,929.40
iShares MSCI EAFE	\$43,839.99	\$47,172.44	\$49,427.76	\$51,489.80	\$191,929.99
iShares Core S&P Mid-Cap	\$12,958.11	\$31,727.49	\$32,379.85	\$34,656.81	\$111,722.25
iShares Russell 2000	\$64,291.44	\$56,059.81	\$39,466.95	\$41,961.60	\$201,779.80
iShares Core S&P Small-Cap	\$8,783.70	\$8,191.66	\$7,079.54	\$7,600.02	\$31,654.91
Powershares QQQ Trust Series	\$19,541.04	\$19,260.62	\$17,017.88	\$18,155.75	\$73,975.28
SPDR S&P 500	\$82,407.82	\$44,134.44	\$14,602.40	\$15,445.10	\$156,589.75
Vanguard Total Bond Market Index Fund	\$4,824.25	\$4,892.59	\$4,943.41	\$4,947.94	\$19,608.18
Vanquard FTSE Emerging Markets	\$6,381.02	\$6,713.04	\$7,261.36	\$7,562.22	\$27,917.64
Vanguard REIT	\$9,941.38	\$9,938.67	\$10,167.00	\$10,214.54	\$40,261.60
ETF & MUTUAL FUNDS SUBTOTAL	\$302,571.80	\$278,747.81	\$234,035.71	\$243,013.50	\$9,013,065.82
GRAND TOTAL	\$2,868,952.18	\$2,494,149.47	\$1,308,318.58	\$1,246,504.58	\$15,872,621.81

* Includes carried interest, profit sharing, and other fees charged to the fund.

Note - Limited Partnerships report at a lag, therefore calendar year fees are used for comparison

Long Term Investment Pool: External Investment Manager Fee and Performance Summary as of June 30, 2018 ⁽¹⁾

INVESTMENT MANAGERS	ASSET CLASS	INVESTMENT MANDATE	FY 17-18 MANAGER FEES	ASSIGNED BENCHMARK	FY 17-18 PORTFOLIO RETURN (Net of Fees)	FY 17-18 BENCHMARK RETURN	OVER/UNDER PERFORMANCE VS. BENCHMARK
Aksia (COPA Keystone)	Alternative	Absolute Return	\$888,407	HFRI Fund of Funds Composite Index + 50bp	6.09	6.01	0.08
BlackRock ⁽²⁾	Equity	Large Cap Core	\$40,351	S&P 500 Index	2.94	2.65	0.29
Blue Hill Investment Partners, LP ⁽³⁾	Alternative	Private Equity	\$14,597	Cambridge Associates Private Equity Index	-60.71	16.41	-77.12
Blue Hill EEP	Alternative	Private Equity	\$49,500	S&P/LSTA Leveraged Loan Total Return Index	-22.23	3.71	-25.94
Chartwell Investment Partners	Fixed Income	High Yield	\$184,090	ICE BofAML BB-B US High Yield	2.64	1.83	0.81
Credit Suisse	Fixed Income	Senior Secured Debt	\$741,176	S&P/LSTA Leveraged Loan Total Return Index	4.43	3.71	0.72
Federated Investors, Inc	Fixed Income	High Yield	\$322,088	Bank of America/Merrill Lnch High Yield excl144A	1.56	2.52	-0.96
Intercontinental	Alternative	REIT	\$188,811	NCREIF Property Index	10.58	7.20	3.38
PWP Rhumblin MSCI	Equity	Int'l Equity	\$92,625	MSCI ACWI ex USA	6.36	7.79	-1.43
PWP Rhumblin Russell	Equity	Large Cap Core	\$34,081	Russell 1000	12.93	14.54	-1.61
Sound Point	Fixed Income	Senior Secured Debt	\$181,532	S&P/LSTA Leveraged Loan Total Return Index	4.59	3.71	0.88
Total Fees Paid			\$2,737,259				
⁽⁴⁾ Fees Paid to Terminated Managers During FY 17-18			<u>\$1,301,245</u>				
GRAND TOTAL FEES PAID			\$4,038,504				

⁽¹⁾ Performance information obtained from Global Beta Advisors June 30, 2018 Investment Performance Reports and from BNY Mellon.

⁽²⁾ Manager funded November, 2017 - Inception To Date Return provided.

⁽³⁾ Manager and Benchmark Return as of 3/31/18.

⁽⁴⁾ Terminated Fixed Income Managers:

- Community Capital Management
- Fifth Third Asset Management
- Mesirou Financial Management
- Sterling Asset Management
- Stoneridge
- Weaver C. Barksdale & Associates

Brokerage Fees

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

In fiscal year 2017-18, 33 brokers placed 7,718 trades, resulting in gross commissions of \$693,206 for the Long-Term Investment Pool. On a per-share-basis, the gross equity commissions translated into an average gross commission price of just \$0.0005 per share. A summary of commissions paid to brokers for the Long-Term Investment Pool is reflected in the following table. Able Noser managed the transition of \$2.7 billion in Fixed Income securities into Exchange Traded Funds (ETFs), and was compensated on a commission basis that included trading both Fixed Income and Equity securities.

New Fee Transparency Standard

In September 2018, Treasury set a new standard for fee transparency mandating the disclosure of all fees paid by the department for the management of Commonwealth assets, paid directly or indirectly.

Treasury will now disclose carried interest, sub-manager, and base management fees.



Long-Term Investment Pool: Broker Commissions Fiscal Year 2017-18

BROKER	COMMISSION	BROKER	COMMISSION
ABEL NOSER	\$338,942	INSTINET CORP, NEW YORK	\$39,865
BANQUE PARIBAS, PARIS	\$89	INSTINET EUROPE LIMITED, LONDON	\$3,126
BARCLAYS CAPITAL INC./LE, NEW JERSEY	\$16	INSTINET PACIFIC LTD, HONG KONG	\$1,583
BNP PARIBAS SEC SRVS SA, SINGAPORE	\$504	INSTINET, SINGAPORE	\$36
BNY CONVERGEX EXECUTION SOL, NEW YORK	\$1,767	INVESTMENT TECH GROUP INC, NEW YORK	\$76
BNY CONVERGEX, NEW YORK	\$110,800	ITG INC, NEW YORK	\$120
CIBC WORLD MKTS INC, TORONTO	\$176	J.P. MORGAN CLEARING CORP, NEW YORK	\$43
CITIGROUP GBL MKTS INC, NEW YORK	\$118	JEFFERIES & CO INC, NEW YORK	\$11,244
COWEN AND CO LLC, NEW YORK	\$10	LIQUIDNET INC, NEW YORK	\$5,746
CREDIT SUISSE, NEW YORK (CSUS)	\$80	MERRILL LYNCH PIERCE FENNER SMITH INC NY	\$504
DAVIDSON(D A) & CO INC, NEW YORK	\$20,900	MERRILL LYNCH PIERCE FENNER, CHARLOTTE	\$737
DEUTSCHE BK SECS INC, NY (NWCUS33)	\$97	MORGAN STANLEY & CO INC, NY	\$85
EUROCLEAR BANK SA NV, BRUSSELS	\$58	NATIONAL FINL SVCS CORP, NEW YORK	\$18
GOLDMAN SACHS & CO, NY	\$8,094	PERSHING LLC, JERSEY CITY	\$43,991
ICBC FINCL SVCS, NEW YORK	\$87,786	UBS SECURITIES LLC, STAMFORD	\$14,645
INSTINET AUSTRALIA CLEARING SERV, SYDNEY	\$105	WELLS FARGO SECURITIES LLC, CHARLOTTE	\$3
INSTINET CLEARING SER INC, NEW YORK	\$1,844	TOTAL COMMISSIONS PAID FY 17-18	\$693,206

Ninety-eight percent of the total trade commissions paid in fiscal year 2017-18, or \$682,012, 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 appears below.

Top Ten Long-Term Investment Pool Broker Commissions Fiscal Year 2017-2018

BROKER	COMMISSION
ABEL NOSER	\$338,942
BNY CONVERGEX, NEW YORK	\$110,800
ICBC FINCL SVCS, NEW YORK	\$87,786
PERSHING LLC, JERSEY CITY	\$43,991
INSTINET CORP, NEW YORK	\$39,865
DAVIDSON(D A) & CO INC, NEW YORK	\$20,900
UBS SECURITIES LLC, STAMFORD	\$14,645
JEFFERIES & CO INC, NEW YORK	\$11,244
GOLDMAN SACHS & CO, NY	\$8,094
LIQUIDNET INC, NEW YORK	\$5,746
TOTAL	\$682,012

Security Lending

Treasury makes the portfolios of the Commonwealth Investment Program available for security lending to generate additional revenue for Pennsylvania. In fiscal year 2017-18 the program generated \$390,375 with 3.02% of the Long-Term Investment Pool’s securities on loan as of June 30, 2018. The table below provides a snapshot of Treasury’s Security Lending Program as of that date.

POOL	MARKET VALUE OF LENDABLE SECURITIES	MARKET VALUE OF SECURITIES ON LOAN	% OF LENDABLE SECURITIES ON LOAN
Pool 99	\$-	\$-	0.00%
Pool 198	\$ 782,869,570	\$ 23,667,020	3.02%
TOTAL	\$782,869,570	\$23,667,020	

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, 2018, repurchase agreements composed 100% of the Cash Collateral Reinvestment Pool.

Proxy Voting

Treasury uses specific proxy voting guidelines to voice its positions as an institutional investor, and established Index Funds as Separately Managed Accounts (SMAs), which allow Treasury to directly vote the proxies for its Index holdings. In addition, this structure allows Treasury to engage directly with corporations as a shareholder, in order to effect change.

In fiscal year 2018 Pennsylvania Treasury joined other institutional investors as a member of Investors for Opioid Accountability. This group was successful in getting 39 shareholder resolutions on ballots, at 12 companies. These measures aimed to improve governance by mandating risk reporting to shareholders, and held executives accountable with misconduct clawback provisions.

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 approve or determine any specific vote, either by issue or by security, if it chooses to deviate from its guidelines.

In fiscal year 2017-18, Glass Lewis voted 403 ballots. Those ballots contained 5,398 proposals, of which 5,088 represented management proposals and 310 represented shareholder proposals.

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

Litigation

Philadelphia Entertainment Development Partners v. Commonwealth – federal bankruptcy action filed in the Eastern District of Pennsylvania. The action seeks the Commonwealth's return of the casino licensing fee to a casino whose license had been revoked. If successful, the Commonwealth would be compelled to return the \$50 million licensing fee, including interest and costs from the General Fund.

Progress:

- The Federal Bankruptcy Court dismissed the case against the Commonwealth. However, the case was appealed to the U.S. District Court for the Eastern District of Pennsylvania.
- The U.S. District Court for the Eastern District affirmed the Bankruptcy Court's ruling.
- In May 2017, the Appellant appealed the case to the Third Circuit Court of Appeals.
- In January 2018, the Third Court reversed and remanded the case back to the Eastern District.
- The Eastern District has since remanded the case back to Bankruptcy Court.

Likelihood of an Unfavorable Outcome: REMOTE

Commonwealth Investment Program Participant Holdings as of June 30, 2018

ACCT	NAME	SHARES	COST BASIS	MV POOL 198	MV POOL 99	TOTAL MV
001	General				3,504,648,273	3,504,648,273
002	Lottery	2,113	2,478	2,727	178,967,081	178,969,809
003	Wild Resource				225,836	225,836
004	Energy Development	2,998,076	3,065,522	3,869,470	402,689	4,272,160
005	State Racing	10,021,326	10,250,711	12,934,036	24,864,629	37,798,664
006	Hazardous Sites Cleanup	33,421,957	36,553,736	43,136,085	51,836,620	94,972,705
007	Highway Beautification				676,398	676,398
008	Environmental Stewardship	69,815,492	74,569,225	90,107,439	48,744,277	138,851,716
009	Recycling Fund	62,952,539	66,467,640	81,249,761	22,165,019	103,414,781
010	Motor License	119,219,567	139,110,301	153,870,862	1,018,284,367	1,172,155,229
011	Game	31,268,941	31,984,711	40,357,292	38,185,060	78,542,352
012	Fish	50,291,498	53,786,696	64,908,776	21,705,022	86,613,798
013	Banking	11,771,258	12,040,697	15,192,587	14,540,447	29,733,033
014	Milk Marketing Board				3,656,696	3,656,696
015	State Farm Products				3,204,104	3,204,104
016	Oil & Gas Lease	17,094,052	19,003,238	22,062,457	123,084	22,185,541
017	State Treasury Armory				2,355,360	2,355,360
018	Historical Preservation				8,561,595	8,561,595
019	PA Infrastructure Bank	33,684,178	34,441,978	43,474,521	17,384,809	60,859,329
020	Surface Mining Conserv.	63,222,818	64,669,963	81,598,597	991,807	82,590,405
021	Special Administration				5,610,318	5,610,318
022	Capitol Restoration Trust				438,340	438,340
023	Vocational Rehabilitation				10,200,549	10,200,549
024	Pharmaceutical Assis	1,228,794	1,256,884	1,585,944	19,810,421	21,396,366
025	Boating	23,595,721	24,135,817	30,453,842	9,745,427	40,199,269
026	Administration				2,509,188	2,509,188
027	Liquid Fuel Tax				3,863,404	3,863,404
028	Liquor License				2,507,283	2,507,283
029	Fire Insurance Tax				77,883,058	77,883,058
030	Volunteer Companies Loan	27,162,255	27,773,305	35,056,994	25,442,578	60,499,572
031	Manufacturing	17,656,887	18,061,046	22,788,880	15,013,497	37,802,377
032	Purchasing				15,557,721	15,557,721
033	Employment for the Blind				2,070,390	2,070,390
034	Industrial Development					0
037	Pennvest Drinking Water	145,040,604	161,018,474	187,196,811	32,655,404	219,852,215

ACCT	NAME	SHARES	COST BASIS	MV POOL 198	MV POOL 99	TOTAL MV
038	CAP. FACILITIES TOTAL				1,548,835,908	1,548,835,908
039	Land & Water Development					0
042	PA Economic Revitalization					0
044	Land & Water Dev. Sinking					0
045	Sinking				145,245	145,245
049	Tax Note Sinking					0
051	Conrad Weiser Memorial Park				75,586	75,586
052	Judicial Admin Leave				1,198,002	1,198,002
053	PA Historical/Museum Comm.				188,691	188,691
054	Agric. College Land Script				649,879	649,879
055	State College Exper. Farm					0
056	State School					0
058	State Insurance	4,714,467	4,822,419	6,084,732	75,094	6,159,825
066	Clean System Upgrade					0
068	Energy Conserv. & Assist					0
069	Workmens' Compen. Super.				3,736,375	3,736,375
071	Tobacco Settlement Fund				109,692,591	109,692,591
072	Real Estate Recovery				590,486	590,486
073	Noncoal Surface Mining Conser	7,476,256	7,638,539	9,649,238	148,458	9,797,696
074	Soc Sec					0
076	Municipal Pension				305,390,427	305,390,427
077	Supplemental Municipal Pensio					0
078	PA Municipal Employ Retire				3,626,409	3,626,409
079	Higher Ed. Assistance	117,712,579	120,406,974	151,925,867	304,536,331	456,462,197
080	Emergency Med. Oper. Serv.	10,286,959	10,522,418	13,276,874	1,005,555	14,282,429
081	State Restaurant				731,968	731,968
082	Swif				18,146,812	18,146,812
083	Solid Waste					0
084	State Stores				204,076,201	204,076,201
085	Rehabilitation Center				7,986,389	7,986,389
086	Coal & Clay Mine Sub Ins.	91,339,351	95,007,915	117,887,232	19,917,231	137,804,463
087	Coal Lands Improvement				2,225,120	2,225,120
088	Minority Business Development				3,512,868	3,512,868
091	Capital Debt				45,009,854	45,009,854
092	Volunteer Loan Sinking					0
093	Budget Stabilization Reserve				484,998	484,998
094	Tax Stabilization Reserve					0

ACCT	NAME	SHARES	COST BASIS	MV POOL 198	MV POOL 99	TOTAL MV
096	PA Veterans' Memorial Trust				364,977	364,977
097	Anthracite Emergency Bond				689,280	689,280
101	Low Level Waste					0
104	PA Infrastructure Invest. Auth	227,531,468	248,466,888	293,663,733	45,433,834	339,097,567
105	Pennvest Bonds Authority				5,928,229	5,928,229
106	Pennvest Revolving					0
107	Pennvest Nonrevolving Equity					0
108	Pennvest Redemption				7,477,301	7,477,301
109	Pennvest Water Pollution	532,749,280	580,195,495	687,593,431	174,471,533	862,064,963
111	Machinery & Equipment Loan	13,847,490	14,164,454	17,872,278	38,819,015	56,691,293
112	Insurance Liquidation	62,240,272	63,664,927	80,330,474	9,058,220	89,388,694
113	Agricultural Conservation				39,376,514	39,376,514
115	Children's Trust				1,737,944	1,737,944
116	Revolving Aid Fund				10,368,158	10,368,158
117	Catastrophic Loss Benefit	77,860,242	79,523,652	100,490,405	263,979	100,754,385
118	Storage Tank Fund				1,897,073	1,897,073
119	Underground Storage Tank	37,520,427	40,939,535	48,425,780	9,624,314	58,050,094
121	Resting Facilities Siting					0
123	Motor Vehicle Trans. Rec.				2,359,970	2,359,970
125	Hazardous Material Response	1,327,027	1,357,402	1,712,729	149,101	1,861,830
127	Local Govt. Cap. Loan				3,892,898	3,892,898
128	Local Sales and Use Tax				26,167,090	26,167,090
129	Pa. Intergovernment Co-op				5,367,426	5,367,426
130	Public Transportation				9,044,510	9,044,510
131	Acid Mine Drain	54,853,963	61,590,382	70,797,326	21,001,303	91,798,629
133	Local Crime Justice					0
134	Local Crime Justice Sink					0
138	Clean Air	37,176,129	37,968,589	47,981,411	562,180	48,543,591
139	Home Investment Trust				71,825	71,825
140	Phila Re. Port Auth				680,299	680,299
141	Port of PGH Commission				2,275,386	2,275,386
144	Pennvest Trustee					0
145	Remining Environment					0
146	Remining Financial Assurance				4,383,938	4,383,938
147	Environmental Education				1,596,996	1,596,996
148	Self-Ins. Guaranty	47,085,032	48,162,790	60,770,347	18,386,178	79,156,524
149	Keystone Recreation, Park	109,846,772	116,663,056	141,773,854	39,256,190	181,030,044

ACCT	NAME	SHARES	COST BASIS	MV POOL 198	MV POOL 99	TOTAL MV
151	PA Employee Benefit Trust	9,417,006	9,632,558	12,154,069	4,194,159	16,348,229
152	Nutrient Mgmt				1,066,976	1,066,976
153	Allrgh.Reg.Asset Dist.Sales				16,626,048	16,626,048
155	Organ Donation				915,991	915,991
156	Insurance Fraud				5,463,897	5,463,897
157	Automobile Theft Prevention				10,974	10,974
158	Industrial Sites Cleanup	11,771,258	12,040,697	15,192,587	7,874,770	23,067,357
159	DNA Detection				7,306,330	7,306,330
160	Small Business First	12,529,496	12,816,291	16,171,207	18,349,995	34,521,202
161	Ben Franklin Tech Development				33,555,705	33,555,705
162	M-Care				118,047,150	118,047,150
163	Patient Safety Trust Fund				10,598,902	10,598,902
164	Substance Abuse Education & D	8,401,476	8,593,815	10,843,374	337,010	11,180,383
166	Wireless E-911 Emergency Serv				75,207,918	75,207,918
167	Rightful Owners Claims Paymen				14,182	14,182
168	State Gaming Fund				128,637,831	128,637,831
169	Comp & Problem Gambling				8,621,418	8,621,418
170	Property Tax Relief Fund				442,146,381	442,146,381
171	Pa Gaming Eco Dev & Tourism				25,299,120	25,299,120
172	Pa Race Horse Dev Fund				7,316,476	7,316,476
173	Emergency Energy Assistance F					0
174	Broadband Outreach and Agg					0
175	Education Technology Fund					0
176	Educational Assistance Progra				830,274	830,274
177	Job Training Fund				364,134	364,134
178	Community College Capital				3,970,327	3,970,327
179	Growing Greener Bond Fund				20,378,585	20,378,585
180	Growing Greener Sinking Fund				397	397
181	Water Sup/Wastewater Treat				27,481,909	27,481,909
182	Water Sup/Waste Sinking Fund					0
183	Conservation District Fund				6,111,170	6,111,170
184	Uninsured Employers Guar				7,062,025	7,062,025
185	Persian Gulf Con Vet Bond				2,021,038	2,021,038
186	Persian Gulf Con Vet Sinking					0
187	The Public Transportation Tru	239,020,331	274,600,822	308,491,847	372,182,057	680,673,904
188	Neighborhood Improvement				34,865	34,865
190	Fire Prevention & Public Safe					0

ACCT	NAME	SHARES	COST BASIS	MV POOL 198	MV POOL 99	TOTAL MV
191	Cigarette Fire Safety				503,063	503,063
192	Mine Safety Fund				124,293	124,293
193	Water Resources Fund					0
194	Water & Sewer Bond Fund				16,273,274	16,273,274
195	Water & Sewer Sinking				533,541	533,541
196	196 Treasury Initiatives	581,198	638,445	750,123		750,123
197	Spec Juvenile Victim Comp					0
201	Housing Afford & Rehab				7,417,523	7,417,523
202	Unconv Gas Well Fund				27,960,494	27,960,494
203	Marcellus Legacy Fund				31,302,944	31,302,944
204	Homeowner Asst Stlmt Fund				135,865	135,865
205	Pa. eHealth Partnership Fund					0
206	Veterans' Trust Fund				2,275,446	2,275,446
207	Justice Reinvestment Fund				1,239,885	1,239,885
208	Insurance				20,012,460	20,012,460
209	Phila. Taxicab Limousine				384,094	384,094
210	Philadelphia Taxicab				6,606	6,606
211	Multimodal Transportation				237,012,652	237,012,652
212	City Revitalization and Improvement				1,891	1,891
213	Local Cigarette tax				4,805,359	4,805,359
215	Monetary Penalty Endowment	36,345,358	42,390,376	46,909,175	3,002,612	49,911,787
216	Achieving Better Life Exp				1,496,301	1,496,301
217	Medical Marijuana Program					0
218	PlanCon Bond Projects Fund				334,774,126	334,774,126
451	Chester Downs				1,339,275	1,339,275
452	Pocono Downs				1,337,858	1,337,858
453	Philadelphia Park				1,210,538	1,210,538
454	Penn National				1,354,697	1,354,697
455	The Meadows				1,329,263	1,329,263
456	Sugar House Casino				1,552,854	1,552,854
458	PITG Rivers Gaming Casino				1,357,801	1,357,801
459	Mount Airy Casino				1,377,484	1,377,484
460	Sands Bethworks Casino				1,303,444	1,303,444
461	Presque Isle Downs				1,411,595	1,411,595
466	Valley Forge Casino				1,028,103	1,028,103
468	Nemacolin				997,179	997,179
896	196A Treasury Initiatives	99,002	115,786	127,778		127,778
TOTALS		2,472,180,914	2,670,116,647	3,190,722,953	10,304,413,425	13,495,136,378