

JUNE 30, 2011

## Statements of Net Assets

	2011	2010
	\$	\$
<b>ASSETS</b>		
Cash	12,344,783	3,594,060
Receivables:		
Foreign taxes	2,732,489	3,603,072
Accounts receivable	3,165,120	516,790
Investments sold	25,152,183	35,345,547
Interest and dividends	35,369,308	28,966,554
Total receivables	66,419,100	68,431,963
Prepaid expenses	7,013	21,269
Capital assets	36,348	50,391
Investments at fair value:		
U.S. Government and agency obligations	1,367,098,751	810,739,312
Foreign government obligations	37,951,769	44,409,906
Corporate obligations	762,833,382	925,668,388
Domestic common stock and equity funds	3,380,198,858	2,857,144,559
Commingled funds	256,817,374	270,510,642
Preferred stock	0	517,676
Foreign equity securities	2,195,201,185	1,733,177,670
Foreign preferred stock	40,032	179,924
Hedge funds	1,075,584,754	917,854,201
Real estate funds	819,053,366	750,210,957
Private equity	629,256,286	542,441,291
Money market instruments	303,501,465	270,231,935
Infrastructure funds	417,267,415	320,293,041
Bank loans	253,447,070	222,623,999
Foreign currency forward contracts	(353)	(266,410)
Total investments	11,498,251,354	9,665,737,091
Securities lending collateral	211,162,204	997,638,887
Total assets	11,788,220,802	10,735,473,661
<b>LIABILITIES</b>		
Payables:		
Investments purchased	36,930,925	40,837,912
Administrative expenses	6,947,640	5,816,888
Securities lending cash collateral obligation	216,717,213	1,010,115,059
Total liabilities	260,595,778	1,056,769,859
Net assets	11,527,625,024	9,678,703,802

**\*\*A full description of quarterly investments acquired showing averages and a full description of securities sold or exchanged by the Illinois State Board of Investment on behalf of the State Employees Retirement System, the General Assembly Retirement System and the Judges Retirement System is posted on the Illinois State Board of Investment Website at <http://www2.illinois.gov/isbi> in the investments section of the website.**

JUNE 30, 2011

## Statements of Changes in Net Assets

	2011	2010
	\$	\$
<b>ADDITIONS</b>		
Investment income:		
Net increase in fair value of investments	1,810,488,419	634,013,226
Interest and other	136,079,683	128,588,561
Dividends	132,335,702	114,725,819
Securities lending income	2,900,006	6,125,355
Securities lending rebates	968,335	1,206,593
Securities lending expenses	(373,900)	(726,619)
Total investment income	<u>2,082,398,245</u>	<u>883,932,935</u>
Contributions from the State of Illinois	<u>745,546,496</u>	<u>809,401,372</u>
Total additions	<u>2,827,944,741</u>	<u>1,693,334,307</u>
<b>DEDUCTIONS</b>		
Administrative expenses:		
Salaries and benefits:		
Salaries	1,182,265	1,366,941
Benefits	595,733	579,934
Operating expenses:		
Rent and utilities	171,595	164,672
Audit	151,830	151,830
Other	192,109	210,664
External support:		
Custody	218,026	251,248
Consulting and professional	1,236,508	1,270,019
Investment advisors/managers	33,319,362	33,540,400
Investment services and research	156,091	149,069
Total administrative expenses	<u>37,223,519</u>	<u>37,684,777</u>
Member Systems' withdrawals	<u>941,800,000</u>	<u>661,000,000</u>
Total deductions	<u>979,023,519</u>	<u>698,684,777</u>
Increase in net assets	1,848,921,222	994,649,530
Net assets at beginning of year	<u>9,678,703,802</u>	<u>8,684,054,272</u>
Net assets at end of year	<u><u>11,527,625,024</u></u>	<u><u>9,678,703,802</u></u>

**Note 3****Member Systems' Participation**

	General Assembly	Judges'	State Employees'	Combined*
<b>Member Systems' Income and Expenses</b>	\$	\$	\$	\$
<b>Fiscal Year Ended June 30, 2011</b>				
Interest and dividends	1,338,206	13,747,518	253,329,661	268,415,385
Net securities lending income	17,455	179,176	3,297,810	3,494,441
Net increase in fair value of investments	9,098,602	93,118,822	1,708,270,995	1,810,488,419
Total investment income	10,454,263	107,045,516	1,964,898,466	2,082,398,245
Administrative expenses	(183,751)	(1,901,411)	(35,138,357)	(37,223,519)
Net investment income	10,270,512	105,144,105	1,929,760,109	2,045,174,726
<b>Member Systems' Changes in Net Assets</b>				
<b>Fiscal Year Ended June 30, 2011</b>				
Net assets at beginning of year	51,638,586	506,463,522	9,120,601,694	9,678,703,802
Member systems' net withdrawals	(4,562,656)	(23,813,049)	(167,877,799)	(196,253,504)
Net investment income	10,270,512	105,144,105	1,929,760,109	2,045,174,726
Net assets at end of year	57,346,442	587,794,578	10,882,484,004	11,527,625,024
The source of net assets of the member systems	since inception at June 30, 2011, is as follows:			
Member systems' net withdrawals	(60,125,878)	(96,185,969)	(1,592,219,267)	(1,748,531,114)
Accumulated net investment income	117,472,320	683,980,547	12,474,703,271	13,276,156,138
Net assets at fair value	57,346,442	587,794,578	10,882,484,004	11,527,625,024

\* Combined column for the Member Systems is presented for information purposes only and does not indicate that the assets of one system may be used for another system.