

STATEMENTS OF NET ASSETS
Illinois State Board of Investment
Six Months Ended December 31, 2010

	2011	2010
	\$	\$
ASSETS		
Cash and cash equivalents	8,189,759	6,699,540
Receivables:		
Foreign taxes	1,701,360	1,901,658
Account receivables	1,303,692	643,947
Investments sold	11,157,639	14,529,485
Interest & dividends	25,410,694	26,862,879
Total receivables	39,573,385	43,937,969
Prepaid Expenses	6,333	55,988
Capital assets	50,391	57,635
Investments at fair value:		
Government and agency obligations	987,950,806	666,841,968
Foreign obligations	33,340,369	47,741,303
Corporate obligations	700,567,965	716,892,414
Municipal bonds	2,901,885	2,223,341
Common stock & equity funds	3,290,314,127	2,979,604,407
Commingled Funds	266,365,238	285,498,792
Preferred stock	-	438,977
Foreign Preferred stock	31,003	71,429
Foreign equity securities	2,045,781,431	1,841,061,936
Hedge funds	992,086,301	943,114,988
Real estate funds	763,067,203	766,362,253
Private equity	614,071,731	509,358,096
Infrastructure funds	359,612,067	299,141,580
Money market instruments	329,670,663	217,041,389
Bank loans	239,415,108	220,293,916
Forward foreign exchange contracts	(4,254,899)	(1,474,061)
Total investments	10,620,920,998	9,494,212,728
Securities lending collateral	944,383,531	1,304,713,055
Total assets	11,613,124,397	10,849,676,915
LIABILITIES		
Payables:		
Investment purchases	20,335,596	20,031,143
Operating expenses	6,264,890	5,276,155
Securities lending collateral obligation	952,011,513	1,325,658,459
Total liabilities	978,611,999	1,350,965,757
Net assets	10,634,512,398	9,498,711,158

**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.

STATEMENTS OF CHANGES IN NET ASSETS
Illinois State Board of Investment
Six months ending December 31, 2010

	FY2011	FY2010
	\$	\$
ADDITIONS		
Investment income:		
Net increase in fair value of investments	1,324,290,547	968,799,010
Interest	60,780,118	64,718,788
Dividends	53,973,232	48,374,787
Securities lending income	2,215,085	3,764,266
Less securities lending rebates	(9,147)	562,071
Less securities lending expenses	(214,360)	(430,203)
Total net investment income	1,441,035,475	1,085,788,718
Members systems' contributions	0	0
Total additions	1,441,035,475	1,085,788,718
DEDUCTIONS		
Expenses:		
Salaries and benefits:		
Salaries	581,025	560,905
Benefits	307,472	290,975
Operating expenses:		
Rent and utilities	85,737	85,794
Audit	0	0
Other	106,738	89,434
External support:		
Custody	108,026	142,722
Consulting and professional	633,504	682,944
Investment advisors/managers/loans	16,028,872	16,016,559
Investment services and research	75,505	62,500
Total expenses	17,926,879	17,931,832
Members systems' withdrawals	467,300,000	253,200,000
Total deductions	485,226,879	271,131,832
Increase(decrease) in net assets	955,808,596	814,656,886
Net assets at beginning of period	9,678,703,802	8,684,054,272
Net assets at end of period	10,634,512,398	9,498,711,158

ILLINOIS STATE BOARD OF INVESTMENT

<i>Member Systems' Participation</i>	General Assembly	Judges	State Employees'	Combined*
Member Systems' Income and Expenses Six Months Ended December 31, 2010	\$	\$	\$	\$
Interest and dividends	575,324	5,903,322	108,274,704	114,753,350
Net securities lending income	10,032	102,594	1,878,952	1,991,578
Net gain on investments	931,734	9,548,569	175,072,151	185,552,454
Net unrealized gain (loss) on investments	5,827,090	58,906,031	1,074,004,972	1,138,738,093
Management expenses	(88,722)	(918,806)	(16,919,351)	(17,926,879)
Net investment income	<u>7,255,458</u>	<u>73,541,710</u>	<u>1,342,311,428</u>	<u>1,423,108,596</u>

**Member Systems' Changes in Net Assets
Six Months Ended December 31, 2010**

Net assets at beginning of period	51,638,586	506,463,522	9,120,601,694	9,678,703,802
Member systems' net (withdrawals)	(7,800,000)	(39,500,000)	(420,000,000)	(467,300,000)
Member systems' (contributions)	-	-	-	-
Net investment income	<u>7,255,458</u>	<u>73,541,710</u>	<u>1,342,311,428</u>	<u>1,423,108,596</u>
Net assets at end of period	<u>51,094,044</u>	<u>540,505,232</u>	<u>10,042,913,122</u>	<u>10,634,512,398</u>

The source of net assets of the member systems since inception at December 31, 2010, is as follows:

Member systems' net contributions (withdrawals)	(63,363,222)	(111,872,920)	(1,844,341,468)	(2,019,577,610)
Accumulated net investment income	<u>114,457,266</u>	<u>652,378,152</u>	<u>11,887,254,590</u>	<u>12,654,090,008</u>
	<u>51,094,044</u>	<u>540,505,232</u>	<u>10,042,913,122</u>	<u>10,634,512,398</u>

* 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.