

**ILLINOIS STATE BOARD OF INVESTMENT**  
(An Internal Investment Pool of the State of  
Illinois)

Compliance Examination

Year ended June 30, 2015

Performed as Special Assistant  
Auditors for the Auditor General,  
State of Illinois



**ILLINOIS STATE BOARD OF INVESTMENT**  
 (An Internal Investment Pool of the State of Illinois)

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**ILLINOIS STATE BOARD OF INVESTMENT**  
(An Internal Investment Pool of the State of Illinois)

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**ILLINOIS STATE BOARD OF INVESTMENT**  
(An Internal Investment Pool of the State of Illinois)

Agency Officials

Executive Director

Mr. William R. Atwood

Deputy Executive Director

Ms. Alise M. White

Chief Fiscal Officer

Willie Genette Bacon-Cordova

General Counsel/Chief Compliance Officer

Ms. Linsey J. Payne

Illinois State Board of Investment Office is located at:

180 N. LaSalle Street  
Suite 2015  
Chicago, Illinois 60601



**ILLINOIS STATE BOARD OF INVESTMENT**  
 180 North LaSalle Street, Suite 2015  
 Chicago, Illinois 60601  
 (312)793-5718

January 19, 2016

RSM US LLP  
 20 N. Martingale Road, Suite 500  
 Schaumburg, IL 60173

Ladies and Gentlemen:

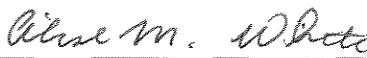
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Illinois State Board of Investment (ISBI). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of ISBI's compliance with the following assertions during the year ended June 30, 2015. Based on this evaluation, we assert that during the year ended June 30, 2015, ISBI has materially complied with the assertions below.

- A. ISBI has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. ISBI has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. ISBI has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by ISBI are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. The money or negotiable securities or similar assets handled by ISBI on behalf of the State or held in trust by ISBI have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

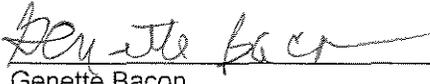
Very truly yours,

ILLINOIS STATE BOARD OF INVESTMENT

  
 \_\_\_\_\_  
 William Atwood  
 Executive Director

  
 \_\_\_\_\_  
 Alise White  
 Deputy  
 Executive Director

  
 \_\_\_\_\_  
 Linsey J. Payne  
 General Counsel/ Chief  
 Compliance Officer

  
 \_\_\_\_\_  
 Genette Bacon  
 Chief Fiscal Officer

**ILLINOIS STATE BOARD OF INVESTMENT**  
 (An Internal Investment Pool of the State of Illinois)

Compliance Report

Summary

Year ended June 30, 2015

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

**Accountants' Reports**

The Independent Accountants' Report on State Compliance, on Internal Control over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant nonstandard language.

**Summary of Finding**

	<u>Current Report</u>	<u>Prior Report</u>
Number of:		
Findings	1	-
Repeated findings	-	-
Prior recommendations implemented or not repeated	-	-

Details of findings are presented in a separate section of the report.

<u>Item No.</u>	<u>Description</u>	<u>Finding Type</u>
<b>FINDING (GOVERNMENT AUDITING STANDARDS)</b>		
2015-001	Inadequate Controls Over Financial Close and Reporting	

**FINDINGS (STATE COMPLIANCE)**

In addition, the following finding which is reported as a current finding relating to *Government Auditing Standards* also meets the reporting requirements for State Compliance.

2015-001	Inadequate Controls Over Financial Close and Reporting
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**PRIOR FINDING NOT REPEATED**

None

**Exit Conference**

In correspondence received from the Illinois State Board of Investment (ISBI) on January 19, 2016, ISBI elected to waive a formal exit conference. The response to the recommendation was provided by Alise White, Deputy Executive Director in correspondence dated November 6, 2015.



RSM US LLP

**Independent Accountants' Report on State Compliance,  
on Internal Control over Compliance, and on  
Supplementary Information for State Compliance Purposes**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

Board of Trustees  
Illinois State Board of Investment

**Compliance**

As Special Assistant Auditors for the Auditor General, we have examined the Illinois State Board of Investment's (Board) and its investment trust fund, the Illinois Power Agency Trust Fund, (collectively referred to as "ISBI") compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended June 30, 2015. The management of ISBI is responsible for compliance with these requirements. Our responsibility is to express an opinion on ISBI's compliance based on our examination.

- A. ISBI has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. ISBI has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. ISBI has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by ISBI are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by ISBI on behalf of the State or held in trust by ISBI have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about ISBI's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of ISBI's compliance with specified requirements.

In our opinion, ISBI complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the year ended June 30, 2015. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of finding as item 2015-001.

### **Internal Control**

Management of ISBI is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered ISBI's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of ISBI's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of ISBI's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of finding as item 2015-001 that we consider to be a significant deficiency.

### **Supplementary Information for State Compliance Purposes**

As Special Assistant Auditors for the Auditor General, we have audited the Statement of Net Position and the related Statement of Changes in Net Position of ISBI as of and for the year ended June 30, 2015, and the Statement of Net Position and the related Statement of Changes in Net Position of its investment trust fund, the Illinois Power Agency Trust Fund as of and for the year ended June 30, 2015, and have issued our report thereon dated December 9, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise ISBI's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 9, 2015. The accompanying supplementary information for the year ended June 30, 2015 in Schedules 1 through 6 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of ISBI. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2015 in Schedules 1 through 6 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic

financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2015 in Schedules 1 through 6 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the ISBI's basic financial statements as of and for the years ended June 30, 2014, and have issued our report thereon dated December 2, 2014, which contained an unmodified opinion on the financial statements. The accompanying supplementary information for the year ended June 30, 2014 in Schedules 1 through 6, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2014 financial statements. The accompanying supplementary information for the year ended June 30, 2014 in Schedules 1 through 6 has been subjected to the auditing procedures applied in the audit of the June 30, 2014 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2014 in Schedules 1 through 6 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

The accompanying supplementary information in the Analysis of Operations Section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Illinois State Board of Investment Board of Trustees, and ISBI's management, and is not intended to be and should not be used by anyone other than these specified parties.

*RSM US LLP*

Schaumburg, Illinois  
January 19, 2016



RSM US LLP

**Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

Honorable William G. Holland  
Auditor General  
State of Illinois

Board of Trustees  
Illinois State Board of Investment

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statements of Net Position and Statements of Changes in Net Position of the Illinois State Board of Investment Member Systems (ISBI Member Systems), as of and for the years ended June 30, 2015 and June 30, 2014, and the Statements of Net Position of its investment trust fund, the Illinois Power Agency Trust Fund (Trust Fund), as of June 30, 2015 and June 30, 2014, and the Statements of Changes in Net Position for the years ended June 30, 2015 and June 30, 2014 which collectively comprise the Illinois State Board of Investment's (ISBI) basic financial statements, and have issued our report thereon dated December 9, 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered ISBI's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ISBI's internal control. Accordingly, we do not express an opinion on the effectiveness of ISBI's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of finding as item 2015-001 that we consider to be a significant deficiency.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether ISBI's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Illinois State Board of Investments' Response to Finding**

ISBI's response to the finding identified in our audit is described in the accompanying schedule of findings. ISBI's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and results of that testing, and not to provide an opinion on the effectiveness of ISBI's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ISBI's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Schaumburg, Illinois  
December 9, 2015

**State of Illinois  
Illinois State Board of Investment**

**Schedule of Finding  
For the Year Ended June 30, 2015**

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**Current Finding - *Government Auditing Standards***

**2015-001 Inadequate Controls Over Financial Close and Reporting**

The Illinois State Board of Investment (ISBI) recorded a fiscal year 2016 distribution of \$1,200,000 in fiscal year 2015.

During our testing over distributions, we noted that a distribution to the Illinois Power Agency in the amount of \$1,200,000 was recorded in fiscal year 2015 in error. The funds were not distributed to the Illinois Power Agency until fiscal year 2016. An audit adjustment of \$1,200,000 was recorded by ISBI to correct the error.

Generally Accepted Accounting Practices (GAAP) requires transactions to be reported in the year that they occur. Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires ISBI to establish and maintain a system, or systems, of internal fiscal and administrative controls which shall provide assurance that distributions are recorded in the proper fiscal year.

According to ISBI Management, the cause of the deficiency occurred during the June 30, 2015 cash reconciliation. The \$1,200,000 was inadvertently coded to the wrong account which caused the cash balance to be reduced by the \$1,200,000. To compound that error, the \$1,200,000 voucher disbursement was inadvertently coded to fiscal year 2015 instead of fiscal year 2016. During the review of the State Treasurer's Bank Statements, the coding errors were not detected when reconciling the bank statements.

Failure to record transaction in the proper period could result in inaccurate financial statements. (Finding Code No. 2015-001)

**Recommendation**

We recommend that ISBI review their procedures for monitoring significant transactions occurring near the end of their fiscal year in order to help identify and record transactions in the proper fiscal year.

**Agency Response**

The Board agrees the procedures for monitoring significant transactions occurring near the end of the fiscal year should be enhanced.

The Chief Fiscal Officer has received additional training on how to detect errors of this nature by conducting a more thorough review of the SAMS monthly reports provided by the Comptroller's Office. Accounting sub-ledger records have been reformatted to make it easier to detect errors of this nature moving forward.

Also the Deputy Executive Director will perform a detailed review of all transaction activity to derive the sub-ledger balance for each reporting period that will include a comparison to the monthly SAMS transaction reports.

**ILLINOIS STATE BOARD OF INVESTMENT**  
(An Internal Investment Pool of the State of Illinois)

Schedule of Findings

Prior Finding Not Repeated

Year ended June 30, 2015

None.

**ILLINOIS STATE BOARD OF INVESTMENT**  
(An Internal Investment Pool of the State of Illinois)

Supplementary Information for State Compliance Purposes

Year ended June 30, 2015

**Summary**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
  - Comparative Schedules of Operations
  - Schedules of Investment Portfolio
  - Schedules of Investment Manager Fees
  - Schedules of Property and Equipment
  - Reconciliation of the State Treasurer's Cash Balance with that of ISBI
  - Analysis of Accounts Receivable
  
- Analysis of Operations (Unaudited):
  - Board Functions and Planning Program (Unaudited)
  - Number of Employees (Unaudited)
  - Proceeds from General Obligation Bonds (Unaudited)
  - Third-Party Marketing Fees Paid (Unaudited)
  - Service Efforts and Accomplishments (Unaudited)
  - Overall Rates of Return (Unaudited)
  - Investment Returns – Benchmark and Actual (Unaudited)
  - Net Position Allocation as of June 30, 2015 (Unaudited)
  - Schedules of Soft Dollar Credits (Unaudited)
  - Schedules of Investment Commissions (Unaudited)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditors' opinion, it is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived. The accountants' report also states the Analysis of Operations Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, they do not express an opinion or provide any assurance on it.

**ILLINOIS STATE BOARD OF INVESTMENT**  
 (An Internal Investment Pool of the State of Illinois)

**Schedule 1**

Fiscal Schedules and Analysis  
 Comparative Schedules of Operations  
 Years ended June 30, 2015 and 2014

	<b>2015</b>	<b>2014</b>	<b>Increase (decrease)</b>
<b>Investment income:</b>			
Interest	\$ 354,281,150	\$ 264,388,234	\$ 89,892,916
Dividends	153,292,990	154,291,279	(98,289)
Securities lending	3,155,070	3,242,232	(87,162)
Realized gain on investments	518,779,744	585,954,938	(67,175,194)
Unrealized gain on investments	<u>(264,401,473)</u>	<u>1,326,884,197</u>	<u>(1,591,285,670)</u>
Total investment income	<u>765,107,481</u>	<u>2,334,760,880</u>	<u>(1,569,653,399)</u>
<b>Administrative expenses:</b>			
Salaries and benefits	2,074,781	1,897,689	177,092
Operating	602,937	605,158	(2,221)
External support	<u>41,962,049</u>	<u>40,276,981</u>	<u>1,685,068</u>
Total expenses	<u>44,639,767</u>	<u>42,779,828</u>	<u>1,859,939</u>
Excess of investment income over administrative expenses	<u>\$ 720,467,714</u>	<u>\$ 2,291,981,052</u>	<u>\$ (1,571,513,338)</u>

**ILLINOIS STATE BOARD OF INVESTMENT**  
(An Internal Investment Pool of the State of Illinois)

Schedule 2

Fiscal Schedules and Analysis  
Schedules of Investment Portfolio  
June 30, 2015 and 2014

Fair value	2015		2014	
	Amount	Percentage of portfolio	Amount	Percentage of portfolio
Fixed income securities:				
Government and agency obligations:				
U.S. Treasury	\$ 450,342,908	2.84%	\$ 380,521,606	2.52%
Federal agencies and other governments	457,492,918	2.89	403,954,042	2.67
Foreign government obligations	892,854,266	5.63	832,282,402	5.50
Corporate obligations:				
Finance	203,037,989	1.28	208,156,262	1.38
Industrials	467,252,204	2.95	465,408,474	3.08
Asset backed	-	0.01	650,237	0.01
Miscellaneous	144,150,044	0.91	125,299,269	0.83
Total fixed income securities	<u>2,615,130,329</u>	<u>16.51</u>	<u>2,416,272,292</u>	<u>15.99</u>
Equities:				
Common stocks:				
U.S. equities:				
Consumer discretionary	742,621,369	4.69	632,337,241	4.18
Consumer staples	317,653,160	2.01	313,760,798	2.08
Energy	277,969,947	1.76	409,957,581	2.71
Financials	965,095,779	6.10	834,468,541	5.52
Healthcare	591,918,185	3.74	541,175,519	3.58
Industrials	626,186,445	3.96	693,569,736	4.59
Information technology	824,917,357	5.21	699,896,152	4.63
Materials	210,167,003	1.33	219,483,392	1.45
Telecommunication services	63,711,299	0.40	82,005,301	0.54
Utilities	125,009,512	0.79	123,738,453	0.82
Other	3,242,684	0.02	2,890,602	0.02
Commingled funds	770,805,046	4.87	733,010,980	4.85
Non-U.S. equities	2,380,176,737	15.03	2,346,576,036	15.52
Total equities	<u>7,899,474,523</u>	<u>49.91</u>	<u>7,632,870,332</u>	<u>50.49</u>
Hedge funds	1,576,250,129	9.96	1,485,145,060	9.82
Real estate funds	1,610,826,230	10.17	1,483,445,971	9.81
Private equity	667,080,662	4.20	667,730,266	4.41
Money market instruments	231,115,398	1.46	217,737,000	1.44
Real assets	532,718,107	3.36	524,284,793	3.47
Bank loans	697,836,613	4.41	689,256,558	4.56
Foreign currency forward contracts	979,645	0.02	(637,600)	0.01
Total investments	<u>\$ 15,831,411,636</u>	<u>100.00%</u>	<u>\$ 15,116,104,672</u>	<u>100.00%</u>

**ILLINOIS STATE BOARD OF INVESTMENT**  
(An Internal Investment Pool of the State of Illinois)

**Schedule 3**

Fiscal Schedules and Analysis  
Schedules of Investment Manager Fees  
Years ended June 30, 2015 and 2014

	<b>2015</b>	<b>2014</b>
Amalgamated Bank NY	\$ -	\$ 315,014
Ariel Investments	962,385	480,455
Ashmore	837,178	175,544
Channing	602,251	405,984
Chicago Equity Partners	409,415	492,670
Credo	-	100,783
Crescent Capital	1,240,096	1,158,737
Decatur	117,600	98,202
Entrust	3,847,022	3,474,279
Fiduciary Management Associates	502,121	467,764
Fort Washington	1,328,546	1,205,052
Garcia Hamilton	240,420	113,432
Globeflex Capital	2	241,253
Grosvenor Capital Management	-	17,190
Herndon Capital	418,870	386,997
IronBridge Capital Management	-	368,755
LM Capital	482,076	437,675
LSV Asset Management	4,277,941	4,005,556
Lombardia	454,455	170,751
Macquarie	2,769,521	2,975,379
Mesirow	2,617,113	2,155,326
Opus Capital Management	145,789	594,072
Rhumblin	191,303	178,667
Rockcreek	3,848,526	3,410,427
Segall Bryant and Hamill	1,804,418	1,514,155
Standish	1,163,950	592,094
State Street Bank	280,000	280,000

(Continued)

**ILLINOIS STATE BOARD OF INVESTMENT**  
 (An Internal Investment Pool of the State of Illinois)

**Schedule 3**

Fiscal Schedules and Analysis  
 Schedules of Investment Manager Fees (Continued)  
 Years ended June 30, 2015 and 2014

	<b>2015</b>	<b>2014</b>
SSgA (Cash Overlay)	\$ 119,135	\$ 166,659
SSgA Emerging Markets	-	27,350
SSgA Emerging Markets Commingled Fund	216,931	137,492
SSgA MSCI ACWI Index	592,171	276,207
SSgA Mid Cap Growth	277,938	149,781
SSgA Small Cap Core	93,927	87,149
SSgA Small Cap Global	2,356,316	1,907,612
THL Credit	953,816	860,097
Templeton	1,848,139	1,990,429
Union Labor Life Investment Co. (ULLICO)	433,774	460,171
Various (allocated equally to all Investment Managers)	-	38,000
Vontobel Asset Management	2,202,249	2,416,110
Wellington	1,063,736	992,512
William Blair	1,450,214	3,233,146
	<u>\$ 40,149,344</u>	<u>\$ 38,558,928</u>

Investment manager fees are related to fees paid to various investment managers. Fees are negotiated primarily on market values. A graduated rate is used for most managers based upon various increments per million dollars of market value.

**ILLINOIS STATE BOARD OF INVESTMENT**  
 (An Internal Investment Pool of the State of Illinois)

Fiscal Schedules and Analysis  
 Schedules of Property and Equipment  
 Year ended June 30, 2015

Changes in property and equipment are as follows:

	<b>Schedule 4</b>						
	Balance at June 30, 2013	Additions	Deletions	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015
Cost	\$ 104,326	\$ 648	\$ (7,720)	\$ 97,254	\$ 920	\$ -	\$ 98,174
Less accumulated depreciation	(60,250)	(2,210)	7,720	(54,740)	(2,211)	-	(56,951)
Net property and equipment	<u>\$ 44,076</u>	<u>\$ (1,562)</u>	<u>\$ -</u>	<u>\$ 42,514</u>	<u>\$ (1,291)</u>	<u>\$ -</u>	<u>\$ 41,223</u>

Note: Amounts reported in the Schedule of Property and Equipment have been reconciled to property reports submitted to the Office of the Comptroller.

**Reconciliation of the State Treasurer's Cash Balance with that of ISBI**

	<b>2015</b>			<b>2014</b>
	<b>Illinois State Board of Investment</b>	<b>Illinois Power Agency Trust Fund</b>	<b>Total</b>	
Balance per State Treasurer at June 30	\$ 106,282	\$ 1,200,000	\$ 1,306,282	\$ 474,083
Vouchers in transit	-	-	-	-
Balance per ISBI at June 30	<u>\$ 106,282</u>	<u>\$ 1,200,000</u>	<u>\$ 1,306,282</u>	<u>\$ 474,083</u>

In August 2007, by enactment of 30 ILCS 105/6z-75 of the Illinois Compiled Statutes, ISBI was given responsibility for the management of the Illinois Power Agency Trust Fund. This resulted in the transfer of the Illinois Power Agency Trust Fund's cash amounting to \$24,854,573, to ISBI in fiscal year 2012. This cash was held by the State Treasurer pending transfer to State Street Bank and Trust Company for investment. The transfer of these funds to State Street Bank and Trust Company occurred on July 19, 2012.

**ILLINOIS STATE BOARD OF INVESTMENT**  
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Fiscal Schedules and Analysis

Schedules of Property and Equipment

Year ended June 30, 2015

**Analysis of Accounts Receivable**

**Schedule 6**

A summary of ISBI's receivables are as follows:

Receivables	<b>2015</b>	<b>2014</b>
Foreign taxes	\$ 4,689,067	\$ 2,741,543
Accounts receivable	307,849	1,522,662
Investments sold	585,819,310	357,652,133
Interest and dividends	41,705,091	39,381,775
Total receivables	<u>\$ 632,521,317</u>	<u>\$ 401,298,113</u>

ISBI's receivable balance at June 30, 2015 and 2014 amounted to \$632,521,317 and \$401,298,113, respectively. The balance consisted of \$46,702,007 and \$43,645,980 of dividends, interest, foreign taxes, and accounts receivable on investments held as of June 30, 2015 and 2014, respectively, and included receivables of \$585,819,310 and \$357,652,133 for investments sold prior to June 30, 2015 and 2014, respectively, but settled after year-end. Because the collection of this interest is relatively assured and the sale of investments is merely an issue of timing, ISBI does not maintain a reserve for uncollectible receivables or age the receivable detail.

**ILLINOIS STATE BOARD OF INVESTMENT**  
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Analysis of Operations (Unaudited)

Year ended June 30, 2015

**Board Functions and Planning Program (Unaudited)**

The Illinois State Board of Investment (ISBI) was created on October 10, 1969, by Article 22A of the Illinois Pension Code to manage and invest the assets and reserves of any pension fund or retirement system that transfers this responsibility to ISBI. In accordance with Article 22A, the Trustees of the State Employees' Retirement System, the General Assembly Retirement System, and the Judges' Retirement System transferred all of their investment assets to ISBI as of June 30, 1970. Since that date, all additional funds available for investment for those three systems have been transferred to ISBI.

In 1978, in accordance with Article 24, ISBI shall be responsible for developing and establishing the State Employees' Deferred Compensation Plan (the Plan). Initial enrollment began in 1979, at which time the Department of Personnel (now Department of Central Management Services) was named as the Administrator of the Plan. With respect to developing and establishing the Plan, ISBI reviews investment offering options for the Plan and supervises the Department of Central Management Services' administration of the Plan.

Beginning July 1, 1978, ISBI merged the Illinois Board Fund, Illinois Equity Fund, and Illinois Segregated Fund into the Illinois State Board of Investment Commingled Fund (the Commingled Fund). The purpose of this consolidation was to enhance control over investment policy through increased flexibility in the allocation of cash reserves between fixed income and equity investments. ISBI's investment policy and strategy can be more uniformly applied to each member system irrespective of cash flow. In addition, it simplified ISBI's accounting and reporting systems. The result is that the Commingled Fund now represents all of the assets under ISBI's supervision.

Beginning in 1982, ISBI expanded the asset base of the Commingled Fund to include both real estate and venture capital.

In 1992, ISBI completed its investment strategy to have all equity security investments managed externally.

During fiscal year 2004, ISBI engaged Marquette Associates as its investment consultant. ISBI conducted an asset allocation study and, in December 2003, adopted a written Asset Allocation Study. The Asset Allocation Study summarizes ISBI's investment policies and measures of performance, formally documents objectives of ISBI, and details a strategic plan for ISBI. Criteria for the review and evaluation of investment managers are included in the Asset Allocation Study. Additionally, a methodology and format is outlined to highlight the results of the objectives and goals established within the Asset Allocation Study. The Asset Allocation Study reaffirms the broadly diversified investment strategy that has been pursued by ISBI with the belief that, over a period of time, this approach will maximize investment return within a prudent level of risk. In March 2008, the Asset Allocation Study was updated to incorporate asset classes and revise asset allocation percentages. In June 2011, the Asset Allocation Study was again updated to incorporate asset classes and revise allocation percentages effective for fiscal year 2012. In June 2013 the Asset Allocation was again revised after a search for a General Consultant was completed. There were no major changes to the asset allocation, however, certain strategies were refined within allocations. At the June 2015 Board Meeting the allocation of the Board's real estate portfolio target was temporarily adjusted to 10.4% of total plan assets. Money will be taken from the Fixed Income portfolio to fund this increase in Real Estate. The additional monies will be targeted towards International Real Estate.

**ILLINOIS STATE BOARD OF INVESTMENT**  
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Analysis of Operations (Unaudited)

Year ended June 30, 2015

Members of the Board of Trustees as of June 30, 2015 include:

Senator James Clayborne	Comptroller Leslie Geissler Munger
Mark Cozzi	Steven Powell
Ezequiel Flores	Shari Greco Reiches
Treasurer Michael Frerichs	Justice Mary Seminara Schostok
Marc Levine	

ISBI has established both long-term and short-term goals with the intention of maximizing earnings for Member Retirement Systems' investments. These goals are reviewed in accordance with the Strategic Investment Policy.

**Number of Employees (Unaudited)**

ISBI had 11 full-time employees at June 30, 2015 and had 11 full-time employees at June 30, 2014.

**Proceeds from General Obligation Bonds (Unaudited)**

Public Act 93-0002 (the Act) became effective on April 7, 2003 and authorized the State of Illinois to issue \$10 billion of General Obligation Bonds for the purpose of making contributions to designated retirement systems. The State Employees' Retirement System, General Assembly Retirement System, and Judges' Retirement System are "designated retirement systems" for the purpose of this law.

On June 12, 2003, the State of Illinois issued \$10 billion of General Obligation Bonds, Pension Funding Series June 2003. The net bond proceeds were allocated among the five state-funded retirement systems to reduce their actuarial reserve deficiencies as provided in the Act.

The State Employees' Retirement System, General Assembly Retirement System, and Judges' Retirement System (member systems) received an allocation of bond proceeds equal to \$1,544,924,744 on July 1, 2003. The monies were deposited into the Master Trust Account with the Illinois State Board of Investment on July 2, 2003. ISBI initially approved investing the pension bond proceeds in separate index funds. These index funds were subsequently liquidated and combined with ISBI's other investments and invested in accordance with the asset allocation policy of ISBI during the year ended June 30, 2004.

Public Act 96-0043 (the Act) became effective on July 15, 2009 and authorized the State of Illinois to issue \$3.466 billion of General Obligation Bonds for the purpose of making contributions to designated retirement systems. The State Employees' Retirement System, General Assembly Retirement System, and Judges' Retirement System are "designated retirement systems" for the purpose of this law.

On January 7, 2010, the State of Illinois issued \$3.466 billion of General Obligation Bonds, Taxable Bond Series January 2010. The net bond proceeds were allocated among the five state-funded retirement systems to reduce their actuarial reserve deficiencies as provided in the Act. The State Employees' Retirement System, General Assembly Retirement System, and Judges' Retirement System received an allocation of bond proceeds equal to \$809,401,372 on January 20, 2010. The monies were deposited into the Master Trust Account with the Illinois State Board of Investment the same day. The monies were combined with ISBI's other investments and invested in accordance with the asset allocation policy of ISBI during the year ended June 30, 2010.

**ILLINOIS STATE BOARD OF INVESTMENT**  
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Analysis of Operations (Unaudited)

Year ended June 30, 2015

Public Act 96-1497 (the Act) became effective on January 14, 2011 and authorized the State of Illinois to issue up to \$4.1 billion of General Obligation Bonds for the purpose of making contributions to designated retirement systems. On March 10, 2011, the State of Illinois issued \$3.7 billion of General Obligation Bonds, Taxable Bond Series February 2011. The net bond proceeds were allocated among the five state-funded retirement systems to reduce their actuarial reserve deficiencies as provided in the Act.

The State Employees' Retirement System, General Assembly Retirement System, and Judges' Retirement System received an allocation of bond proceeds equal to \$745,546,496 on March 14, 2011. The monies were deposited into the Master Trust Account with the Illinois State Board of Investment the same day. The monies were combined with ISBI's other investments and invested in accordance with the asset allocation policy of ISBI during the year ended June 30, 2011.

During fiscal year 2015 and 2014, respectively, employer and employee funding transfers were sent directly by the State of Illinois to Member systems, rather than to ISBI. As a result, ISBI reports no contributions from the State of Illinois in fiscal year 2015 and 2014. In fiscal year 2015, ISBI received \$20,700,000 in contributions from the Judges Retirement System which was deposited into the Master Trust Account the same day.

ISBI estimates the annualized return of each pension bond series as follows:

Series	Return
General Obligation Bonds, Pension Fund Series June 2003	7.3%
General Obligation Bonds, Taxable Bond Series January 2010	9.5%
General Obligation Bonds, Taxable Bond Series February 2011	9.5%

**Third-Party Marketing Fees Paid (Unaudited)**

ISBI discloses whether investment managers hired marketing groups to assist with promoting their investment product to ISBI. There were no third party marketing fees paid by investment managers as of June 30, 2015 and June 30, 2014.

**Service Efforts and Accomplishments (Unaudited)**

For purposes of evaluating service efforts and accomplishments, three different measures have been included. One measure presents a historical perspective of overall annual and compound rates of return; another compares benchmark rates of return with actual rates of return by fund; and the last presents asset allocations by fund type.

**Overall Rates of Return (Unaudited)**

	2015	2014	2013	2012	2011
Annual total return	4.7%	17.9%	14.1%	0.1%	21.7%
Compound annual rate of return since July 1, 1982	9.3	9.5	9.2	9.1	9.4

**ILLINOIS STATE BOARD OF INVESTMENT**  
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Analysis of Operations (Unaudited)

Year ended June 30, 2015

***Investment Returns – Benchmark and Actual (Unaudited)***

ISBI operates under a long-range investment plan with the objective to maximize the total rate of return. The objectives set forth are as follows:

- At least equal to 7.25%, the actuarially assumed interest rate of return for one of ISBI's member systems, the State Employees' Retirement System (SERS). Historically, SERS had adopted 8.5% as the actuarially assumed rate of return, while the other two member systems - General Assembly Retirement System (GARS) and the Judges' Retirement System (JRS) have assumed 8.0%. In September 2010, SERS reduced its return assumption from 8.5% to 7.75%. Similarly, the GARS and JRS reduced their return assumptions from 8.0% to 7.0%. ISBI has assumed the same rate of return as SERS (7.25% as of June 30, 2015), as SERS' net assets represents approximately 95% of ISBI's net position as of June 30, 2015.
- At least equal to the return of a composite benchmark of market indices in the same proportions as ISBI's asset allocation policy targets.

**ILLINOIS STATE BOARD OF INVESTMENT**  
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Analysis of Operations (Unaudited)

Year ended June 30, 2015

ISBI earned a total rate of return of 4.7% for the year ended June 30, 2015.

	(Annualized)							
	2015	2014	2013	2012	2011	3 Yrs.	5 Yrs.	10 Yrs.
	%	%	%	%	%	%	%	%
<b>Total Fund</b>	<b>4.7</b>	<b>17.9</b>	<b>14.1</b>	<b>0.1</b>	<b>21.7</b>	<b>12.1</b>	<b>11.4</b>	<b>6.2</b>
Composite Benchmark*	4.0	16.3	11.8	0.9	19.6	10.6	10.3	6.4
Consumer Price Index	0.1	2.1	1.8	1.7	3.6	1.3	1.8	2.1
<b>U.S. Equities</b>	<b>6.4</b>	<b>24.1</b>	<b>23.3</b>	<b>1.3</b>	<b>33.9</b>	<b>17.7</b>	<b>17.2</b>	<b>8.5</b>
Russell 3000 Index	7.3	25.2	21.5	3.8	32.4	17.7	17.5	8.2
<b>Hedge Funds **</b>	<b>6.0</b>	<b>15.0</b>	<b>12.6</b>	<b>(4.3)</b>	<b>12.7</b>	<b>11.1</b>	<b>8.6</b>	<b>NA</b>
HFRX Equity Hedge	4.0	8.5	8.3	(10.7)	3.4	6.9	2.5	NA
<b>International Equities</b>	<b>(1.0)</b>	<b>23.8</b>	<b>16.8</b>	<b>(10.7)</b>	<b>32.7</b>	<b>12.7</b>	<b>11.1</b>	<b>7.3</b>
MSCI-ACWI ex US Index IMI Gross	(4.6)	22.8	14.4	(14.4)	30.9	10.3	8.5	4.9
<b>Fixed Income</b>	<b>(1.4)</b>	<b>6.5</b>	<b>2.4</b>	<b>6.8</b>	<b>5.7</b>	<b>2.5</b>	<b>4.0</b>	<b>3.6</b>
Barclays Capital U.S. Universal Index	1.6	5.2	0.2	7.4	4.8	2.3	3.8	4.7
<b>Real Estate</b>	<b>16.3</b>	<b>14.5</b>	<b>13.0</b>	<b>5.3</b>	<b>17.0</b>	<b>14.6</b>	<b>13.1</b>	<b>5.1</b>
NCREIF Real Estate Index	13.4	11.7	11.1	11.3	16.7	12.1	12.8	8.2
<b>Private Equity</b>	<b>21.5</b>	<b>24.7</b>	<b>16.2</b>	<b>7.6</b>	<b>24.0</b>	<b>20.8</b>	<b>18.6</b>	<b>12.7</b>

Note: Calculations are based on a time series of linked monthly returns (IRR), producing a time weighted effect.

Total fund return is presented net of fees. All other return information is presented gross of fees.

\* Composite Benchmark:

Effective 06/14:

30% Russell 3000; 20% MSCI-ACWI ex US IMI Gross; 25% Barclays Capital U.S. Universal; 10% NCREIF ODCE; 5% Custom Private Equity Benchmark which is based on preliminary data subject to change; 10% HFRI Fund of Funds Index. The Custom Private Equity benchmark is based on peer universe return data compiled and published by Cambridge Associates, LLC. The custom benchmark returns are calculated as pooled internal rates of return (IRR).

Effective 01/14:

30% Russell 3000; 20% MSCI-ACWI ex US; 25% Barclays Capital U.S. Universal; 10% NCREIF ODCE; 5% Venture Economics Pooled Average Periodic IRR which is based on preliminary data subject to revision on a quarterly basis; 10% HFRI Fund of Funds Index.

Effective 07/11:

30% Russell 3000; 20% MSCI-ACWI ex US; 25% Barclays Capital U.S. Universal; 10% NCREIF ODCE; 5% Venture Economics Pooled Average Periodic IRR which is based on preliminary data subject to revision on a quarterly basis; 10% HFRX Equity Hedged Index.

Effective 07/07:

30% Russell 3000; 20% MSCI-EAFE; 25% Lehman Universal; 10% NCREIF; 5% Venture Economics Pooled Average Periodic IRR which is based on preliminary data subject to revision on a quarterly basis; 10% HFRX Equity Hedged Index.

Effective 03/06:

8% Russell Midcap Growth; 7% Russell 2000 Value; 5% Russell 1000 Growth; 15% Russell 1000 Value; 10% S&P 500; 3% S&P Dev. Ex-U.S.<\$2B; 7% MSCI-EAFE; 10% NCREIF;

Effective 12/03:

5% Lehman High Yield; 10% Lehman Aggregate; 10% Lehman Int. Govt/Corp; 10% NCREIF; 45% Wilshire 5000; 10% MSCI-EAFE; 25% Lehman Universal; 10% NCREIF; 5% Venture Economic All Private Equity Index which is based on preliminary data subject to revision on a quarterly basis; 5% HFRX Equity Hedged Index.

\*\*Hedge Funds:

ISBI began investing in Hedge Funds in Fiscal 2007, therefore actual return information is not available prior to that period.

Note: Effective 11/08, the Lehman Universal benchmark ceased to exist. Barclays Capital U.S. Universal is the benchmark currently used by ISBI.

**ILLINOIS STATE BOARD OF INVESTMENT**  
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Analysis of Operations (Unaudited)

Year ended June 30, 2015

***Net Position Allocation as of June 30, 2015 (Unaudited)***

The investment policy of ISBI establishes asset allocation targets and ranges for each asset class, selected to accomplish the long-range investment plan. The actual asset mix is roughly in line with the policy target, with modest over-allocations to U.S. equity and unallocated cash with offsetting under-allocations to international equity, alternative investments, and real estate.

	<u>Fair Value</u>	<u>Actual Asset Mix</u>	<u>Policy Target</u>
U.S. equity	\$ 4,748,492,740	30	30%
U.S. equity hedge funds	1,576,250,129	10	10
International equity	2,380,176,737	15	20
Commingled funds <sup>4</sup>	770,805,046	5	-
Fixed income <sup>1</sup>	2,615,130,329	17	16
Bank loans	697,836,613	4	4
Real estate	1,610,826,230	10	10
Private equity <sup>2</sup>	667,080,662	4	5
Real assets <sup>2</sup>	532,718,107	3	5
Cash <sup>3</sup>	246,576,957	2	-
Total	<u>\$ 15,845,893,550</u>	<u>100%</u>	<u>100%</u>

<sup>1</sup> Maturities of one year or longer, including convertible bonds.

<sup>2</sup> Interests in limited partnerships and other entities which have limited liquidity.

<sup>3</sup> Includes money market instruments and other assets, less liabilities.

<sup>4</sup> Holdings include fixed income and equity investments.

**ILLINOIS STATE BOARD OF INVESTMENT**  
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Analysis of Operations (Unaudited)  
Schedules of Soft Dollar Credits (Unaudited)  
Years ended June 30, 2015 and 2014

	<b>2015</b>	<b>2014</b>
Soft dollar credits outstanding, at beginning of fiscal year	\$ 4,629	\$ 5,917
Soft dollar credits earned	1,601	9,851
Bank of New York payout amount	-	<u>(11,139)</u>
Soft dollar credits outstanding, at end of fiscal year	<u>\$ 6,230</u>	<u>\$ 4,629</u>

Soft dollar credits are issued to ISBI by certain brokers based on the level of activity of investment managers using that particular broker. ISBI can use these credits to pay for various investment expenses.

**ILLINOIS STATE BOARD OF INVESTMENT**

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Analysis of Operations (Unaudited)

Schedules of Investment Commissions (Unaudited)

Years ended June 30, 2015 and 2014

	2015	2014
Investment brokerage firms:		
ABG Sundal Collier Inc.	\$ -	\$ 6,050
Auerbach Grayson Co. Inc.	-	7,488
Banc of America Securities Inc.	-	16,544
Bank of America Merrill Lynch	18,180	-
Barclays Capital	19,451	22,808
Bass Trading	9,728	-
Blaylock	-	9,629
BNY Brokerage	-	14,429
BTIG Trading	10,667	14,057
Cabrera Capital Markets LLC	122,932	98,807
Canacord Genuity Inc.	-	5,665
Cantor Fitzgerald & Co.	5,564	61,173
Capital One Southcoast	6,424	-
Carnegie Investment Bank	9,047	-
CastleOak Securities	24,618	18,673
Cheevers & Company	129,382	188,919
CIMB Group	-	10,746
Citigroup Smith Barney Inc.	68,574	64,237
CL King & Associates	24,309	-
CLSA Singapore Pte. Ltd.	5,964	5,500
ConvergEx	8,207	7,028
Craig Hallum	8,180	6,720
Credit Lyonnais Securities	14,972	13,269
Credit Suisse First Boston Corp.	76,770	63,181
CRT Capital	-	5,220
Daiwa Securities	9,970	-
Deutsche Banc Securities Inc.	39,094	31,950
DNB Markets	-	6,121
Fig Partners	55,568	28,197
Friedman Billings and Ramsey & Co. Inc.	-	21,215
Global Hunter Securities LLC	-	6,288
Goldman Sachs & Company	28,582	39,555

(Continued)

**ILLINOIS STATE BOARD OF INVESTMENT**  
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Analysis of Operations (Unaudited)  
 Schedules of Investment Commissions (Unaudited) (Continued)  
 Years ended June 30, 2015 and 2014

	<b>2015</b>	<b>2014</b>
Investment brokerage firms (Continued):		
Greentree Brokerage	\$ -	\$ 9,381
Hongkong & Shanghai Bank	10,860	-
HSBC Securities	-	5,053
Instinet	12,539	57,709
Investment Technology Group	146,042	84,731
J.P. Morgan Securities, Inc.	54,496	37,383
Jefferies & Company	65,701	34,851
JMP Securities	12,031	-
Joh Berenberg, Glossler & Co.	6,976	-
Jones Trading	16,669	11,887
KCG Corp Access	-	6,196
KeyBank Inc	16,606	17,718
Liberum Capital	10,767	13,018
Liquidnet Inc.	9,309	37,201
Loop Capital Markets	500,988	406,293
M. Ramsey King Securities	13,802	27,893
Macquarie Equities Ltd	-	30,191
MainFirst Group	-	10,793
Merrill Lynch Pierce Fenner & Smith	42,553	37,638
Mischler Financial Group	9,793	6,562
Morgan Stanley & Co.	55,627	36,323
MR Beal	-	6,107
Needham & Co.	5,014	12,465
Nomura Securities	13,409	-
North South Capital	-	47,582

(Continued)

**ILLINOIS STATE BOARD OF INVESTMENT**

(An Internal Investment Pool of the State of Illinois)

Analysis of Operations (Unaudited)

Schedules of Investment Commissions (Unaudited) (Continued)

Years ended June 30, 2015 and 2014

	<b>2015</b>	<b>2014</b>
Investment brokerage firms (Continued):		
Oppenheimer	\$ 16,377	\$ 28,253
Pacific Crest Securities Inc	-	8,189
Piper, Jaffrey & Hopwood Inc.	6,726	-
Ramsey King	13,226	16,633
Raymond James & Assoc	15,774	12,428
RBC Dominion Securities	16,242	-
Redburn Partners LLC	-	-
Robert W. Baird & Co.	22,267	61,118
Sanford C. Bernstein	16,511	23,546
Sidoti & Co.	-	5,406
Societe Generale	25,506	16,140
State Street Global	-	-
Stephens Inc.	7,714	9,896
Sterne, Agee & Leach	-	6,910
Stiffel, Nicolaus & Company Inc.	15,514	18,599
Telsey Advisory Group	10,192	-
UBS Securities	79,982	49,486
US Capital	10,919	-
Weeden & Co.	-	29,130
Wells Fargo	5,603	5,680
William Blair & Co.	-	5,346
Williams Capital Group	90,596	78,613
Various (Under \$5,000)	152,861	159,604
	<u>\$ 2,205,375</u>	<u>\$ 2,245,421</u>

Commissions relate to fees paid to investment brokerage firms for the purchase and sale of investments.