INDIANA STATE

Teachers' Retirement Fund

A Discretely Presented Component Unit of the State of Indiana
For the Fiscal Year Ended June 30, 2009

2009
Comprehensive Annual Financial Report

PREPARED BY
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INDIANA STATE
Teachers' Retirement Fund
HELPING YOU SECURE YOUR FUTURE

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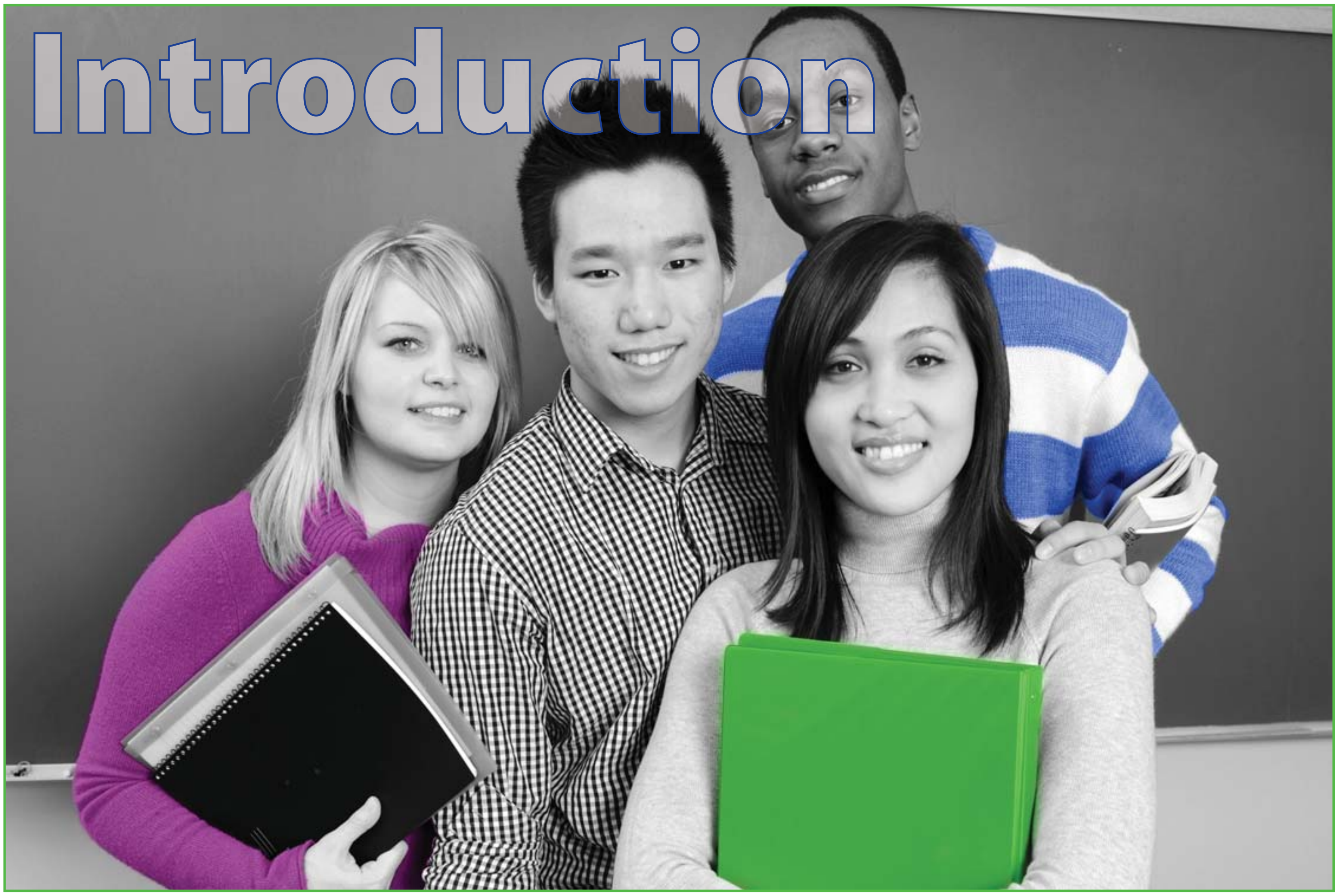
Introduction



Steve Russo
Executive Director

December 31, 2009

Dear Board Members:

It is with pleasure we present the Comprehensive Annual Financial Report (CAFR) of the Indiana State Teachers' Retirement Fund for the fiscal year ended June 30, 2009.

About the Indiana State Teachers' Retirement Fund

The Indiana General Assembly created the Indiana State Teachers' Retirement Fund (TRF or the Fund) in 1921 as a pay-as-you-go Defined Benefit retirement system to provide pension and disability benefits to its members and/or their beneficiaries. Pay-as-you-go means that the State decided not to pre-fund the teachers' retirements through employee and employer contributions while the members were actively teaching. Instead, the State chose to appropriate money for the retirement benefits as they became due for payment. Upon reaching age and service eligibility requirements, members are entitled to a Defined Benefit payment based in part upon a formula that takes into account the member's age, years of service, and the average of the member's highest five years of salary.

Since its establishment, the laws governing the administration of TRF have changed and expanded in response to the needs of our members, employers, and citizens. In 1955, the Annuity Savings Account (ASA) was established in its current form, requiring a percentage contribution based on member salary. This benefit is currently funded by a 3% member contribution; however, by statute, employers are allowed to make the 3% contribution on behalf of the member. Members are immediately vested in their ASAs. Upon retirement, members can withdraw their ASA balances in a lump sum or they can convert their balances into an annuitized amount that is added to their Defined Benefit.

The 1995 legislative session brought several significant changes to TRF. Legislation was passed that closed the pay-as-you-go plan (named the Pre-1996 Account) to newly hired members and created a new account named the 1996 Account. All teachers hired after June 30, 1995 would be members of the 1996 Account. This account was established to be actuarially pre-funded by requiring school corporations to set aside a fixed percentage of payroll for teacher retirement benefits. Also, in 1995, the General Assembly passed legislation creating the Pension Stabilization Fund (PSF), designed to partially fund TRF's unfunded liability of the Pre-1996 Account. The PSF was initially funded from $425 million of employer reserves from the Pre-1996 Account and, since that time, has received contributions from the Indiana State General Fund, contributions from the Indiana State Lottery, and interest earned from the investment of PSF assets. As of June 30, 2009, TRF's combined net assets had a market value of $7.2 billion, of which $1.6 billion resides in the PSF.

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A public referendum held in 1996 approved an amendment to the Indiana Constitution to allow the Fund to invest in equities. Since that time, the Fund has been able to diversify its asset classes and grow its asset base. Beginning in 1998, TRF members were able to select from expanded investment choices that included equities, thereby diversifying their ASAs.

In 2000, legislation established that TRF was no longer to be a state agency but an "independent body corporate and politic," meaning it is not a department or agency of the State but is an independent instrument exercising essential government functions. Though TRF is under the authority of the governor and the Office of Management and Budget (OMB), it is not under the jurisdiction or authority of the State Personnel Department or the Department of Administration. By Executive Order of the Governor, the Fund is under the jurisdiction of the State Ethics Commission.

Indiana Code establishes a six-member Board of Trustees to oversee TRF. Five trustees, two of whom must be members of the Fund, are appointed by the governor. The sixth member of the Board must be a director of the budget agency or the director's designee. An executive director appointed by the governor carries out the policies set by the Board and administers the Fund on a daily basis. In support of the Board and the executive director, TRF employed 46 full-time staff members as of June 30, 2009.

The Fund serves approximately 162,000 members and 390 employers. TRF provides a monthly benefit to approximately 43,000 retirees and maintains accounts for approximately 74,000 active members and 45,000 inactive members. Details about the demographics of TRF members can be found in the Statistical Section of this report.

Benefit Plan and Other Legislative Changes during Fiscal Year 2009

There were several changes that took effect during fiscal year 2009.

- Cost of Living Adjustment (COLA) – Legislation provided a 2% increase to members who retired before July 2, 2000, and provided a 1% increase to members who retired after July 1, 2000, and before July 2, 2006. The effective date of the COLA was January 1, 2009.

- Reemployment after Retirement – Effective July 1, 2008, a retiring member must have a 30-day separation between his or her benefit accrual date and reemployment in a covered position. This is a decrease from the 90-day separation previously required.

Management's Responsibility for Financial Reporting

TRF's management is responsible for the contents of this report and is responsible for establishing and maintaining a system of adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization. TRF's management is also charged with recording these transactions as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with generally accepted accounting principles. This system includes the written policies and procedures of the Board of Trustees.

For financial reporting purposes, TRF follows Governmental Accounting Standards Board (GASB) Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans. Assets of TRF are presented at fair value. The actuarial value of assets and the actuarial accrued liability are presented in the Required Supplemental Schedules following the Notes to the Financial Statements.

GASB issued Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. This Statement establishes financial reporting standards for state and local governments. The Management's Discussion and Analysis is contained within the Financial Section of this report and serves to supplement the Introductory Section of this CAFR, as well as financial statements, notes, and supplementary information within the Financial Section.

Economic Condition

TRF's economic condition is based primarily upon appropriations from the Indiana State General Assembly, contributions from members and employers, and investment results. In fiscal year 2009, the State of Indiana maintained a balanced budget and was able to provide an added level of confidence that the State could meet its funding obligations to the TRF Pre-1996 Account. The State provided all expected payments to Indiana school corporations, thus providing an added level of assurance that school corporations could meet their obligations to pay required employer contributions to the TRF 1996 Account. In fiscal year 2009, TRF received all required appropriations from the State of Indiana and received all required contributions from members and employers. TRF's cash flow was positive in fiscal year 2009. Contributions from employers and members exceeded benefit payouts and fund administrative expenses by $25 million. While turmoil in the financial markets during fiscal year 2009 had an adverse impact on investment results, strong cash flow and liquidity ensured TRF's ability to meet its benefit payment obligations. The impact of economic conditions on TRF's investments was evaluated by Callan Associates Inc., TRF's primary investment management consultant. Callan's report can be found in the Investments Section of this report.

Investments

Fiscal year 2009 was a period of unprecedented turmoil in the capital markets and global economy. Fixed income investment performance helped to offset a portion of the equities losses. The Fund's investment portfolio is comprised of both Defined Benefit and ASA assets. Combined, the investment return for the fiscal year was negative 15.7%, compared to US Equity S&P 500 Index of negative 26.2% and the International MSCI EAFE Index of negative 31.4%.

Another common measure of investment performance is to compare a portfolio's actual return to its benchmark return. TRF's investment performance was not only better than the target benchmark for fiscal year 2009, but it remains better than the benchmark return over the past three- and five-year periods.

Prudent diversification through strategic asset allocation is fundamental to TRF's overall investment policy. The policy is designed to provide an optimal mix of asset classes to meet TRF's long-term return objectives, while still minimizing risks. TRF continues to make progress in diversifying the mix of asset classes and adjusting its risk and return profile to deliver the earnings needed to meet benefit obligations. Detailed investment policies and performance results can be found in the Investments Section of this report.

Funding

An actuarial analysis of TRF is performed on an annual basis. An assumption experience study is performed every three to five years. The actuarial firm, Nyhart, completed the most recent annual actuarial analysis as of June 30, 2008. In addition, an assumption experience study was completed in August of 2008. There were no significant changes that resulted from the assumption experience study. The forecasted increase in annual pay was revised slightly downward and updated mortality rate tables have been adopted into the annual actuarial analysis.

One of the purposes of the actuarial analysis is to measure the funding status, typically referred to as the funded percentage. The percentage is computed by dividing the actuarial value of net assets by the actuarial accrued liability. This ratio provides an indication of the funding status of the plan and, generally, the greater this percentage, the stronger the plan.

As discussed earlier in this letter, TRF is comprised of two separate accounts, the Pre-1996 Account and the 1996 Account. Each of these accounts is funded differently. Given that the Pre-1996 Account is funded on a pay-as-you-go basis from the State of Indiana, the funded percentage measurement is not as meaningful in measuring the strength of this account.

However, the application of the funded percentage to the 1996 Account is more meaningful, as this account is actuarially pre-funded by contributions from members and employers. The funded percentage of the 1996 Account is a very healthy 104.1%. Another purpose of the actuarial analysis is to guide the Board of Trustees in the determination of the required contribution rate as a percent of payroll from employers. In fiscal year 2009, the required Defined Benefit contribution rate from employers for members in the 1996 Account was 7.0% of payroll, a decrease from the prior year's 7.25% contribution rate.

Details of the actuarial analysis can be found in the Actuarial Section of the report. Supporting statistics can be found in the Statistical Section. In the Statement of Changes in Fiduciary Net Assets, contained in the Financial Section of this report, the accumulated balance of funds derived from the excess of additions over deductions is referred to as the net assets held in trust for pension benefits. The actuarial accrued liability is not disclosed in the Financial Statements but is disclosed in the Schedule of Funding Progress in the Required Supplemental Schedules following the Notes to the Financial Statements.

Accomplishments in 2009

TRF has continued its pursuit of excellence throughout fiscal year 2009. TRF's commitment to outstanding customer service was demonstrated by the continued implementation of operational programs that now have over 99% of new retirees receiving their first pension payment on time. Over 90% of members who received services from TRF rated their experience as good or excellent. The newly established Communications and Outreach department nearly doubled the number of employers and members who received education and are using our web-based services. Disbursement of requested ASA refunds is now taking place on a weekly basis.

Significant progress continues to be made in the implementation of new information technologies. Retirement applications can now be submitted online. For the first time in TRF history, 100% of data reporting from employers was conducted electronically. Several enhancements to the TRF Web site were implemented, including the availability of educational videos. Members can now watch educational seminars from the comfort of their homes or work locations at a time of their choosing. TRF also established a long-range information technology plan to guide significant operational and customer service improvements in the coming years.

Following this letter you will find a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) and an Achievement Award from the Public Pension Coordinating Council (PPCC). The GFOA certification for TRF's 2008 CAFR marks the first year that a TRF annual report has achieved this recognition. The PPCC award recognizes TRF's excellence in meeting professional standards for plan design and administration. This recognition rates TRF's system management and administration among an exclusive handful of public retirement systems in the nation and also marks the first year TRF has achieved this distinction.

Acknowledgements

The compilation of this report reflects the combined efforts of TRF staff and advisors. It is intended to demonstrate the spirit of full disclosure and to provide information for use as the basis for making management decisions, as a means of determining compliance with legal provisions, and as a means of determining responsible stewardship of the assets contributed by our members and employers.

We express our gratitude to the staff, advisors, and all who have contributed to the preparation of this report. The TRF staff also wishes to express our gratitude to Indiana Governor Mitch Daniels, the Indiana General Assembly, members of the Indiana Pension Management Oversight Commission, and the TRF Board of Trustees who provided TRF staff the privilege of serving the needs of our members and employers.

Sincerely,

Steve Russo
Executive Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Indiana State Teachers' Retirement Fund

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2009

Presented to

Indiana State Teachers' Retirement Fund

In recognition of meeting professional standards for
plan funding and administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

National Association of State Retirement Administrators (NASRA)
National Conference on Public Employee Retirement Systems (NCPERS)
National Council on Teacher Retirement (NCTR)

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Chief Benefits Officer
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Tim Walsh
Chief Investment Officer
Jacob Burch
Chief Technology Officer
Joy R. Smith
Director of Administration
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General Counsel
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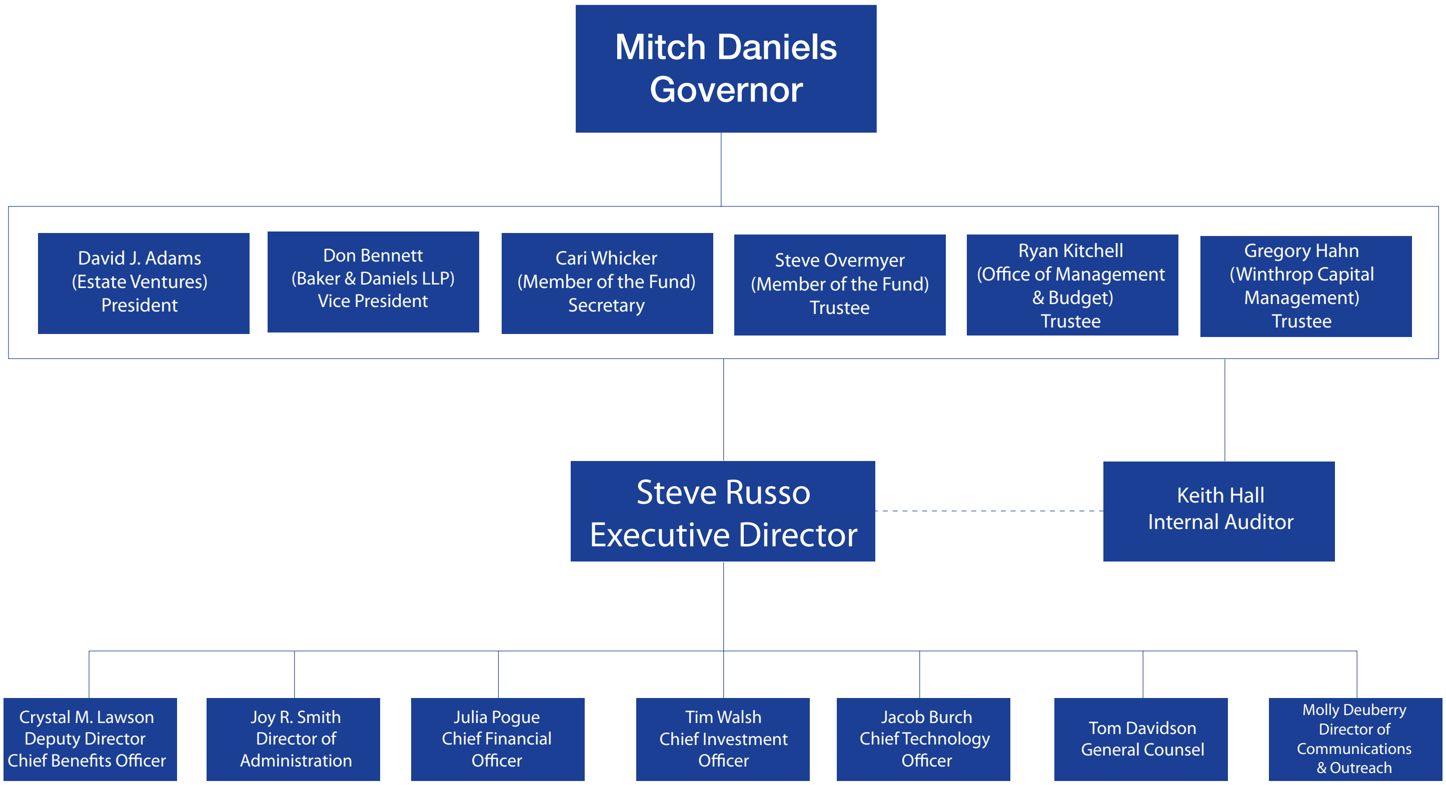
A list of investment professionals can be found on page 57.




Steve Russo
Executive Director


Crystal M. Lawson
Deputy Director
Chief Benefits Officer


Julia Pogue
Chief Financial Officer


Tim Walsh
Chief Investment Officer


Joy R. Smith
Director of Administration


Jacob R. Burch
Chief Technology Officer


Tom Davidson
General Counsel


Molly Deuberry
Director of Communications and Outreach


Keith Hall
Internal Auditor

Membership and Eligibility

The membership of the Indiana State Teachers' Retirement Fund includes eligible educators and administrators.

Members Receiving Retirement Benefits

Age	Years of Service	Allowance Reduction
50 to 59	15 or more	11% at age 59, additional 5% for each year under age 59
55	Age at retirement plus total years of service equals 85 or more	None
60	15 or more	None
65	10 or more	None

Benefit Formula

Annual Benefit =
Average of Highest 5 Years of Annual Compensation x Total Years of Service x 1.1% (0.011)
+
Annuity Savings Account[1]

[1] At retirement, a member can elect to receive the Annuity Savings Account as a monthly supplement to the Defined Benefit or in a total distribution.

Cost of Living Adjustments (COLA)

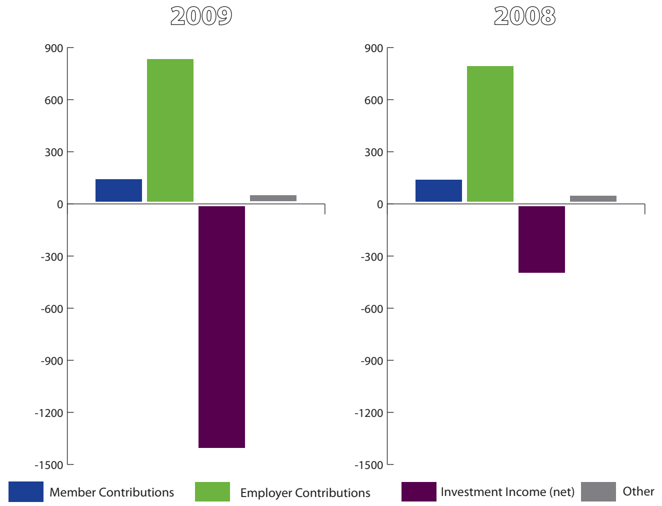
Cost of living adjustments are passed by the Indiana General Assembly on an ad-hoc basis.

Contribution Rates

- Members are required to contribute 3% of gross wages to their Annuity Savings Accounts. Employers have the option of making all or part of this 3% contribution on behalf of the member.
- Members may also voluntarily contribute up to an additional 10% of their wages into their Annuity Savings Accounts.
- The amount (rate) of employer contributions in the 1996 Account is adopted by the Board of Trustees based on recommendations by the Indiana State Teachers' Retirement Fund's actuary.

Additions by Source

For fiscal year ended June 30 (dollars in millions)

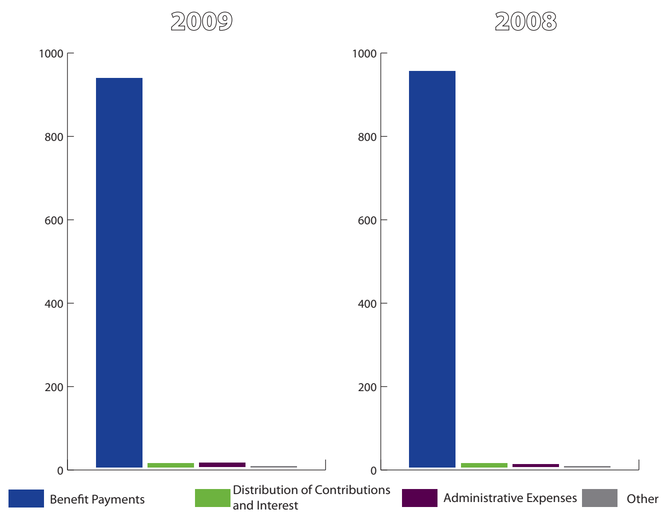


Additions by Source

For fiscal year ended June 30 (dollars in millions)	2009	2008
Member Contributions	$ 128.6	$ 123.9
Employer Contributions	819.2	778.1
Investment Income (net)	(1,390.1)	(381.1)
Other	34.2	33.2
Total	$ (408.1)	$ 554.1

Deductions by Type

For fiscal year ended June 30 (dollars in millions)

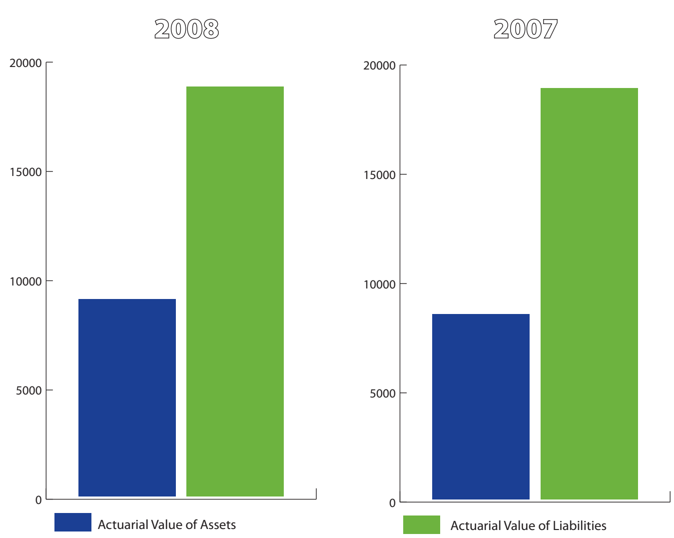


Deductions by Type

For fiscal year ended June 30 (dollars in millions)	2009	2008
Benefit Payments	$ 934.3	$ 950.9
Distributions of Contributions and Interest	9.6	10.5
Administrative Expenses	10.3	6.9
Other	2.5	2.7
Total	$ 956.7	$ 971.0

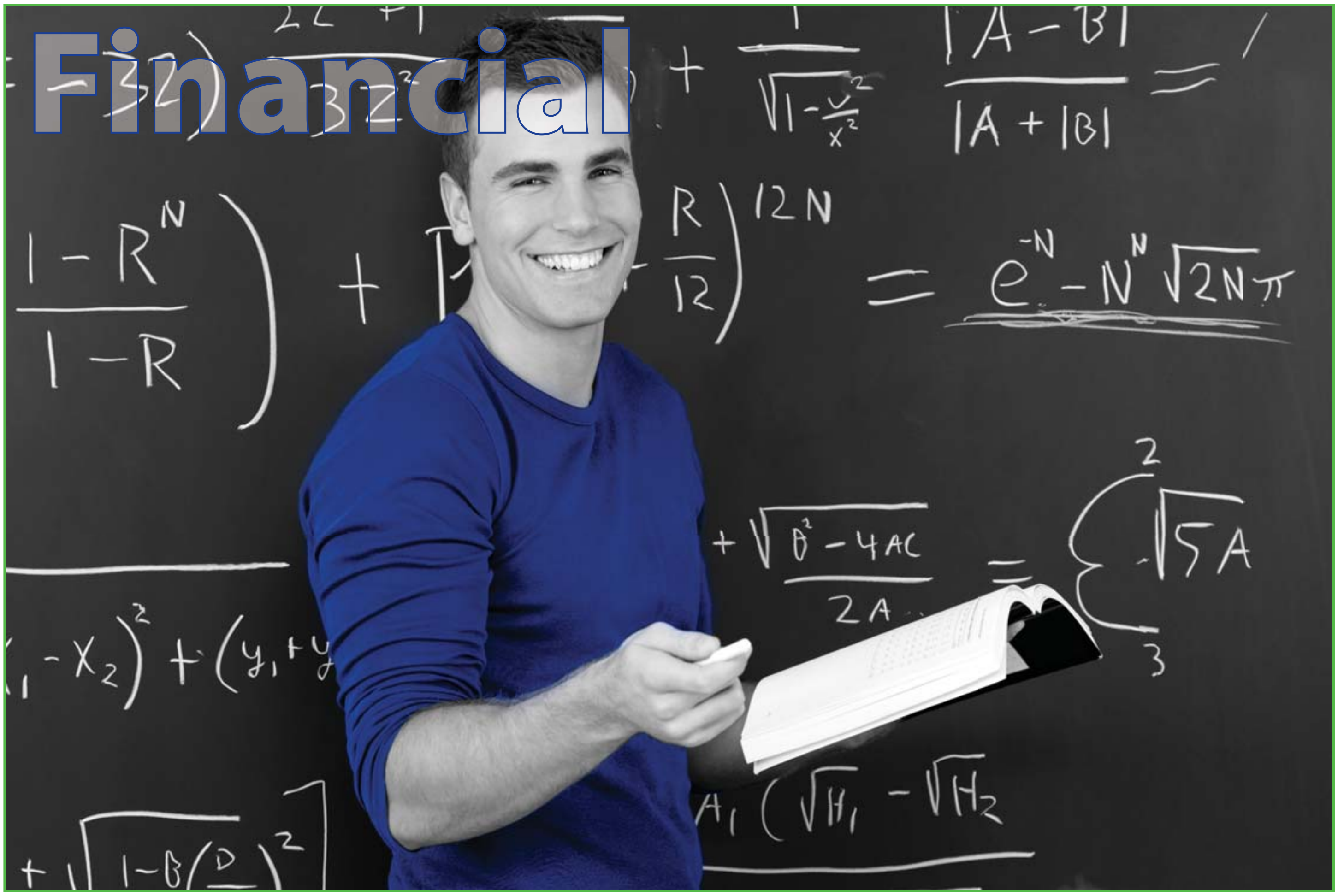
Funding Progress

For fiscal year ended June 30 (dollars in millions)



Funding Progress

Actuarial Valuation as of June 30 (dollars in millions)	2008	2007
Actuarial Value of Assets	$ 9,034.0	$ 8,476.6
Actuarial Value of Liabilities	18,750.1	18,815.8
Funding Ratios	48%	45%


Financial

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TO: THE OFFICIALS OF THE TEACHERS' RETIREMENT FUND

We have audited the accompanying financial statements of the Teachers' Retirement Fund as of, and for the year ended June 30, 2009. These basic financial statements are the responsibility of the Teachers' Retirement Fund management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the basic financial statements referred to above present fairly, in all material respects, the plan net assets of the fiduciary funds of the Teachers' Retirement Fund as of June 30, 2009, and the changes in the fiduciary funds plan net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, Schedule of Funding Progress, and Schedule of Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements taken as a whole. The Introductory Section, Administrative Expenses, Investment Expenses, Contractual and Professional Service Expenses, Investment Section, Actuarial Section, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Administrative Expenses, Investment Expenses, and Contractual and Professional Service Expenses have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements take as a whole. The Introductory Section, Investment Section, Actuarial Section, and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

State Board of Accounts
STATE BOARD OF ACCOUNTS

December 3, 2009

Management's Discussion & Analysis

This section presents Management's Discussion and Analysis (MD&A) of the Indiana State Teachers' Retirement Fund (TRF) financial statements for the fiscal year ended June 30, 2009. The MD&A is presented as a narrative overview and analysis. The MD&A should also be read in conjunction with the Financial Statements, the Notes to the Financial Statements, and the Required Supplemental Schedules.

Financial Highlights

- The net assets of TRF were $7.2 billion as of June 30, 2009.
- The net assets of TRF decreased by $1.4 billion, or 15.9%, from the prior fiscal year. The decrease was primarily due to negative total returns on Fund investments, resulting in lower investment values.
- The TRF rate of return on investments for the fiscal year was negative 15.7% on a market value basis, compared to last fiscal year's negative 4.2%, as stocks and bonds provided negative returns.
- As of June 30, 2008, the date of the most recent actuarial valuation, the Pre-1996 Account is actuarially funded at 37.7%, which is more than the 36.1% funded level as of June 30, 2007. The 1996 Account is actuarially funded at 104.1%, which is more than the 95.9% funded level as of June 30, 2007. The Pre-1996 Account includes all members who were hired before July 1, 1995, and have been continuously employed by the same Board of Education as they were on that date. The 1996 Account includes all other members.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to TRF's Financial Statements, which are comprised of three components: (1) Financial Statements, (2) Notes to the Financial Statements, and (3) Required Supplemental Schedules. The information available in each of these sections is briefly summarized as follows:

1. **Financial Statements**

   The Statement of Fiduciary Net Assets presents information on TRF's assets and liabilities and the resulting net assets held in trust for pension benefits. This statement reflects TRF's investments, at fair value, along with cash and short-term investments, receivables and other assets and liabilities. This statement indicates the net assets available to pay future pension benefits and gives a snapshot at a particular point in time.

   The Statement of Changes in Fiduciary Net Assets presents information showing how TRF's net assets held in trust for pension benefits changed during the fiscal year ended June 30, 2009. It reflects contributions by members and employers, along with deductions for retirement and annuity benefits, administrative expenses, and other deductions. Investment income and losses, resulting from investing and securities lending activities during the period, are also presented.

2. **Notes to the Financial Statements**

   The Notes to the Financial Statements provide additional information that is essential for a full understanding of the data provided in TRF's Financial Statements.

3. **Required Supplemental Schedules**

   The Required Supplemental Schedules consist of a Schedule of Funding Progress and a Schedule of Contributions from the Employers and Other Contributing Entities.

Financial Analysis

TRF's total assets were $7.6 billion as of June 30, 2009, compared with $11.5 billion as of June 30, 2008. The decrease in total assets was primarily due to decreases in the market value of investments, receivables from securities purchased, and securities lending collateral during the fiscal year ended June 30, 2009.

Total liabilities were $0.4 billion as of June 30, 2009, compared with $3.0 billion as of June 30, 2008. The decrease in total liabilities was primarily due to decreases in payables for securities purchased and in securities lending collateral.

As the table below shows, total net assets were $7.2 billion as of June 30, 2009, which represents a decrease of $1.4 billion, or 15.9%, compared to the prior fiscal year, driven primarily by the decrease in market value of investments during the year.

Net Assets

(dollars in thousands)

	June 30, 2009	June 30, 2008	% Change
Assets			
Cash and Cash Equivalents	$ 555,156	$ 811,941	(31.6)%
Securities Lending Collateral	152,142	1,217,423	(87.5)
Receivables	254,893	1,977,881	(87.1)
Investments	6,654,100	7,537,474	(11.7)
Other Assets	1,241	1	124,000.0
Total Assets	$ 7,617,532	$ 11,544,720	(34.0)%
Liabilities			
Securities Lending Collateral	$ 152,142	$ 1,217,423	(87.5)%
Other Current Liabilities	266,192	1,763,278	(84.9)
Long-term Liabilities	60	60	-
Total Liabilities	$ 418,394	$ 2,980,761	(86.0)%
Total Net Assets	$ 7,199,138	$ 8,563,959	(15.9)%

You can teach a student a lesson for a day; but if you can teach him to learn by creating curiosity, he will continue the learning process as long as he lives.

-- Clay P. Bedford

The following table presents TRF's investment allocation for employer-controlled assets (i.e., Defined Benefit plan assets) as of June 30, 2009, compared to TRF's target investment allocation and the prior fiscal year's allocation.

	June 30, 2009 Actual	June 30, 2009 Target	June 30, 2008 Actual	Allowable Range for Investments
Domestic Equities	33.1%	29.0%	37.8%	24% to 34%
International Equity	19.3	20.0	22.5	16% to 24%
Private Equity	7.2	10.0	5.7	8% to 12%
Real Estate	5.5	8.0	5.9	6% to 10%
Absolute Return	4.4	7.0	4.7	5% to 9%
Commodities	0.7	1.0	0.0	0% to 2%
Fixed Income	29.8	25.0	23.4	20% to 30%
Total	100.0%	100.0%	100.0%	

The remaining Private Equity target allocation of 2.8% will be drawn from the other investment classes and will happen over an extended period of time, as suitable investments become available. The remaining 2.6% and 2.5% from Absolute Return and Real Estate, respectively, will be drawn from the other investment classes as investments are made.

In an effective classroom students should not only know what they are doing, they should also know why and how.
-- Harry Wong

A summary of the changes in net assets during the fiscal years ended June 30, 2009 and 2008 is presented below:

Changes In Net Assets

(dollars in thousands)

	Fiscal Year Ended		
	June 30, 2009	**June 30, 2008**	**% Change**
Additions			
Member Contributions	$ 128,568	$ 123,928	3.7 %
Employer Contributions	819,187	778,128	5.3
Employer Contributions to Pension Stabilization Fund	30,000	30,000	-
Net Investment Income / (Loss)	(1,390,148)	(381,080)	(264.8)
Transfer from Public Employees' Retirement Fund	4,260	3,188	33.6
Total Additions	$ (408,133)	$ 554,164	(173.6)%
Deductions			
Pension and Disability Benefits	$ 934,296	$ 950,855	(1.7)%
Distribution of Contributions and Interest	9,613	10,463	(8.1)
Administrative & Other Expenses	10,254	6,920	48.2
Transfer to Public Employees' Retirement Fund	2,525	2,761	(8.5)
Total Deductions	$ 956,688	$ 970,999	(1.5)%
Net Increase / (Decrease) in Net Assets	$ (1,364,821)	$ (416,835)	(227.4)%
Net Assets - Beginning of Year	$ 8,563,959	$ 8,980,794	(4.6)%
Net Assets - End of Year	$ 7,199,138	$ 8,563,959	(15.9)%

Additions

Additions needed to fund benefit payments are accumulated through contributions from members and employers, as well as returns on invested funds. Member contributions for the year ended June 30, 2009 totaled $128.6 million. This represents an increase of $4.6 million, or 3.7%, compared to the prior fiscal year. Employer contributions were $819.2 million, an increase of $41.1 million, or 5.3%. The increase was due to larger appropriations made by the State of Indiana and new employees for whom the employers were making contributions. Employer contributions of $30.0 million to the Pension Stabilization Fund come from the Indiana State Lottery.

TRF's recognized net investment loss of $1,390.1 million for the fiscal year ended June 30, 2009, compares to the net investment loss of $381.1 million in the prior fiscal year. The lower investment income was primarily due to the significant volatility in the financial markets resulting from the credit market crisis, as well as the global recession. As a result, the total rate of return on TRF's investments was a negative 15.7%, compared to a negative 4.2% in the prior fiscal year. The negative rates of returns were experienced across all market segments. In this regard, TRF's investment portfolio performance for the fiscal year ending June 30, 2009 is summarized as follows:

- Domestic Large Cap equity investments posted a loss of 23.3%, which compared to a loss of 26.2% for the S&P 500 Index.
- Domestic Mid Cap equity investments posted a loss of 31.5%, which compared to a loss of 28.0% for the S&P 400 Mid Cap Index.
- Domestic Small Cap equity investments posted a loss of 27.9%, which compared to a loss of 25.0% for the Russell 2000 Index.
- International equity investments posted a loss of 32.7%, which compared to a loss of 30.9% for the MSCI ACWI ex USA ND Index.
- Fixed income investments posted a loss of 1.2%, which compared to a gain of 6.1% for the Barclays Aggregate Index.

Deductions

The deductions from TRF's net assets held in trust for pension benefits include primarily payments for retirement, disability, and survivor benefits, distribution of contributions and interest, and administrative expenses. For the fiscal year ended June 30, 2009, benefit payments amounted to $934.3 million, a decrease of $16.6 million, or 1.7% from the prior fiscal year. Distributions of contributions and interest were $9.6 million, which represents a decrease of 8.1% from the prior fiscal year.

Administrative and other expenses were $10.3 million, which was an increase of $3.3 million, or 48.2%, from the prior fiscal year. This increase is primarily due to the cost of project expenses. The largest increase is for expenses related to supporting the development of software for a new finance system, record keeper system, and an employer reporting system.

Historical Trends

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. The funded ratios of the Defined Benefit pension plans administered by TRF as of the latest actual valuations were as follows:

	June 30, 2008	June 30, 2007
Pre-1996 Account	37.7%	36.1%
1996 Account	104.1%	95.9%

An analysis of the funding progress and employer contributions is provided in the Required Supplemental Schedules section of the Financial Statements.

INDIANA STATE TEACHERS' RETIREMENT FUND

As of June 30, 2009 and June 30, 2008 *

(dollars in thousands)

	2009	2008
Assets		
Cash and Cash Equivalents	$ 555,156	$ 811,941
Securities Lending Collateral	152,142	1,217,423
Receivables:		
Employer Contributions	36,168	38,103
Member Contributions	30,073	32,837
Interest and Dividends	34,167	30,138
Due from Public Employees' Retirement Fund	618	2,910
Securities Sold	153,867	1,873,893
Total Receivables	254,893	1,977,881
Investments:		
Debt Securities	3,329,169	2,859,697
Equity Securities	2,790,428	3,995,986
Other	534,503	681,791
Total Investments	6,654,100	7,537,474
Capitalized Assets (Original Cost of $1,428K Net of $187K Accumulated Depreciation)	1,241	1
Total Assets	7,617,532	11,544,720
Liabilities		
Accrued Salaries Payable	167	163
Accrued Liability for Compensated Absences - Current	70	70
Accounts Payable	6,418	6,517
Benefits Payable	67,441	0
Due to Public Employees' Retirement Fund	1,633	588
Securities Lending Collateral	152,142	1,217,423
Payables for Securities Purchased	190,463	1,755,940
Total Current Liabilities	418,334	2,980,701
Accrued Liability for Compensated Absences - Long-Term	60	60
Total Liabilities	418,394	2,980,761
Net Assets Held in Trust for Pension Benefits	$ 7,199,138	$ 8,563,959

* The accompanying notes are an integral part of the financial statements.

INDIANA STATE TEACHERS' RETIREMENT FUND

For the fiscal years ended June 30, 2009 and June 30, 2008 *

(dollars in thousands)

	2009	2008
Additions:		
Contributions:		
Member Contributions	$ 128,568	$ 123,928
Employer Contributions	819,187	778,128
Employer Contributions - Pension Stabilization Fund	30,000	30,000
Total Contributions	977,755	932,056
Investment Income:		
Net Appreciation / (Depreciation) in Fair Value of Investments	(1,627,148)	(661,517)
Interest Income	190,702	204,181
Dividend Income	76,274	102,698
Securities Lending Income	11,067	53,553
Total Investment Income / (Loss)	(1,349,105)	(301,085)
Less Investment Expenses:		
Investment Fees	(34,956)	(33,778)
Securities Lending Fees	(6,087)	(46,217)
Net Investment Income / (Loss)	(1,390,148)	(381,080)
Other Additions:		
Transfer from Public Employees' Retirement Fund	4,260	3,188
Total Additions	(408,133)	554,164
Deductions:		
Pension and Disability Benefits	934,296	950,855
Distributions of Contributions and Interest	9,613	10,463
Administrative Expenses**	8,070	6,911
Project Expenditures	2,183	0
Depreciation Expense	1	9
Transfer to Public Employees' Retirement Fund	2,525	2,761
Total Deductions	956,688	970,999
Net Increase / (Decrease) in Net Assets Held in Trust for Pension Benefits	(1,364,821)	(416,835)
Net Assets - Beginning of Year	8,563,959	8,980,794
Net Assets - End of Year	$ 7,199,138	$ 8,563,959

* The accompanying notes are an integral part of the financial statements.

** 2008 fiscal year Administrative Expenses include $821 thousand for project expenditures.

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity - The financial statements presented in this report represent only those funds that the Indiana State Teachers' Retirement Fund (TRF) has responsibility for and are not intended to present the financial position or results of operations of the State of Indiana or all of the retirement and benefit plans administered by the State. Effective July 1, 2000, TRF became an independent body corporate and politic (Public Law 119-2000). TRF is not a department or agency of the State, it is an independent body corporate and politic which exercises essential government functions. The members of the Board of Trustees of the Indiana State Teachers' Retirement Fund are appointed by the Governor of the State of Indiana, and a financial benefit/burden relationship exists between TRF and the State of Indiana. For these reasons, TRF is considered a component unit of the State of Indiana for financial statement reporting purposes.

B. Basis of Presentation - The financial statements of the Indiana State Teachers' Retirement Fund have been prepared using fund accounting in conformity with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for established governmental accounting and financial reporting principles. GASB Statement No. 25 has been implemented for the Defined Benefit pension plans.

C. Fund Accounting - Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. The Indiana State Teachers' Retirement Fund is a pension trust fund. For a description of this Fund, see Note 2.

D. Basis of Accounting - The records of this Fund are maintained on a cash basis. The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

E. Budgets - A budget for the administrative, project, and investment expenses is prepared and approved by the Board of Trustees.

F. Deposits and Investments - The Treasurer of State acts as the official custodian of the cash and securities, except for securities held by banks or trust companies under custodial agreements with the Board of Trustees. The Board of Trustees may contract with investment counsel, trust companies, or banks to assist the Board in its investment program. The Board is required to diversify investments in accordance with prudent investment standards. The Board has issued investment guidelines for its investment program which authorizes investments of U.S. Treasury and Agency obligations, U.S. Government securities, common stock, international equity, corporate bonds, notes and debentures, repurchase agreements secured by U.S. Treasury obligations, mortgage securities, commercial paper, and bankers' acceptances. See Note 4 for more details.

During the year ended June 30, 2005, the Fund adopted Governmental Accounting Standards Board Statement No. 40, Deposit and Investment Risk Disclosures (an amendment of GASB Statement No. 3) ("GASB No. 40"). The adoption of GASB No. 40 required the Fund to include a presentation of Deposit and Investment Risk Disclosures.

G. Method Used to Value Investments - GASB No. 25 requires that investments of Defined Benefit plans be reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value. Values for investment funds and partnerships are provided by the investment fund manager.

H. Other Investments - Other investments include investment in shares of limited liability partnerships, real estate securities, options and swaps. Also included is property owned for investment purposes.

I. Capitalized Assets - Equipment with a cost of $20,000 or more is capitalized at the original cost. Depreciation is computed on the straight-line method over the estimated five-year life of all assets. TRF implemented GASB No. 51 during the fiscal year ended June 30, 2009. During the past fiscal year, TRF capitalized $1.2 million in software cost relating to an Oracle financial system that was placed into production during the late fall of 2009.

J. Contributions Receivable - The contributions receivable was determined by using actual contributions received in July 2009, as well as estimated amounts yet to be received for days paid in the quarter ended June 30, 2009. Contributions are recognized as income based on the payroll date to the member, and not when received by the Fund.

K. Inventories - Inventories of consumable supplies are not recognized on the balance sheet as they are considered immaterial. Purchases of consumable supplies are recognized as expenditures at the time of purchase.

L. Reserves and Designations - The following are the legally required reserves and other designations of Fund equity:

1. Member Reserve: The member reserve represents contributions made by or on behalf of the members, plus any interest or earnings distributions, less amounts refunded or transferred to the Benefits in Force reserve for retirement, disability, or other benefit. For the Indiana State Teachers' Retirement Fund, this reserve includes the members' Annuity Savings Accounts.

2. Benefits in Force: This reserve represents the actuarial present value of future benefits for all members who are presently retired or disabled. The accumulated contributions of the members are transferred to the reserve upon retirement or disability for those members electing to annuitize their Annuity Savings Accounts. The remainder of the actuarial pension cost is transferred from the employer reserve to fund the benefits. This reserve also includes $1,614,425,618 for the Pension Stabilization Fund. The Pension Stabilization Fund was established by Indiana Code (IC) 5-10.4-2-5. See Note 3 for further detail on the Pension Stabilization Fund. This reserve has an unfunded actuarial accrued liability.

3. Employer Reserve: This reserve consists of the accumulated employer contributions, plus earnings distributions, less transfers made to the Benefits in Force reserve of the actuarial pension cost. This reserve has an unfunded actuarial accrued liability.

4. Undistributed Investment Income Reserve: This reserve was credited with all investment earnings. From this reserve, members' accounts are credited interest and earnings. The remaining balance is distributed to the reserve accounts listed above. Costs of administering the Fund are financed by investment income and debited to this reserve before earnings are credited to the reserve accounts listed above.

The following are the balances of the reserves and designations of Fund equity as of June 30, 2009 (dollars in thousands):

Member Reserve	Benefits in Force	Employer Reserve
	Pre-1996 Account	
$ 2,389,886	$ 2,266,000	$ -
	1996 Account	
655,843	382,891	1,504,519
	Total	
$ 3,045,729	$ 2,648,891	$ 1,504,519

M. Payables and Liabilities - Payables and liabilities are maintained throughout the year for monthly reporting purposes. They are calculated or estimated for financial statement reporting purposes. Benefits payable represents accrued monthly pensions as of the date of the financial statements that will be paid the first day of the following month. The Fund pays the Defined Benefits for the month on the first day of the following month.

N. Compensated Absences – TRF's full-time employees are permitted to accumulate earned but unused vacation and sick pay benefits. Vacation leave accumulates at the rate of one day per month and sick leave at the rate of one day every two months plus an extra day every four months. Bonus vacation days are awarded upon completion of five, ten and twenty years of employment with the State of Indiana. Personal leave days are earned at the rate of one day every four months; any personal leave accumulated in excess of three days automatically becomes part of the sick leave balance. Upon separation from service, employees in good standing will be paid for a maximum of thirty unused vacation leave days.

No liability is reported for unpaid accumulated sick leave. Vacation and personal leave and the salary-related payments that are expected to be liquidated are reported as Compensated Absences Liability.

Note 2. Fund Description

The Indiana State Teachers' Retirement Fund is a cost-sharing, multiple-employer retirement fund established to provide pension benefits for persons who are engaged in teaching or in the supervision of teaching in the public schools of the State or persons who are employed by the Fund. As of June 30, 2009, the number of participating school unit employers was:

Public School Units	**355**
Higher Education Units	**3**
State of Indiana Agencies	**31**
Associations	**1**
Total	**390**

Membership in the Fund is required for all legally qualified and regularly employed teachers who serve in the public schools of Indiana, including the faculty at Vincennes University and employees of the Fund. Additionally, faculty members at Ball State University and the University of Southern Indiana have the option of selecting membership in the Fund or the alternate University Plan. As of June 30, 2008, Indiana State Teachers' Retirement Fund membership consisted of:

Membership	
Currently Receiving Benefits	42,817
Active Plan Members	76,256
Nonvested Inactive Members	38,150
Vested Inactive Members	5,187
Total	162,410

The important thing is not to stop questioning.
-- Albert Einstein

Retirement Benefits

The Indiana State Teachers' Retirement Fund provides retirement benefits, as well as death and disability benefits. Annual retirement benefits, disability benefits, and death benefits are computed as follows:

1. Regular Retirement (No Reduction Factor for Age)
   Eligibility – Members are eligible at age sixty-five with at least ten years service, or age sixty with at least fifteen years of service, or age fifty-five with age plus years of service totaling at least eighty-five.

   There is no mandatory retirement age.

   Annual Amount – The state pension is calculated by multiplying a member's total years of service by 1.1% of an average of the member's five highest years of compensation. An annuity purchased by the member's accumulated contributions is added to this amount, unless the member elects to withdraw the accumulated contributions in a lump sum or elects to leave the contributions invested with the Fund.

2. Early Retirement (Age Reduction Factor Used)
   Eligibility – Members are eligible at age fifty with fifteen or more years of service.

   Annual Amount – The state pension is computed as a regular retirement benefit, but is reduced by one-tenth of 1% for each month that age at retirement is between sixty and sixty-five and reduced by five-twelfths of 1% for each month under age sixty.

3. Deferred Retirement (Vested Benefit)
   Eligibility – Members are eligible once they have earned ten years of service. Benefit commences at age sixty-five or at age fifty if the member has fifteen or more years of service.

   Annual Amount – The benefit is computed as a regular retirement benefit with state pension based on service and final average salary at termination.

4. Regular Disability
   Eligibility – Members are eligible once they have earned five years of service.

   Annual Amount – Members may receive $125 per month plus $5 for each year of service credit over five years.

5. Disability Retirement (No Reduction Factor for Age)
   Eligibility – Members are eligible if they have earned five years of service and also qualify for Social Security Disability at time of termination.

   Annual Amount – The benefit is computed as a regular retirement benefit with state pension based on service and final average salary at termination.

6. Duty Death Before Retirement
   Eligibility – Eligibility is available once fifteen years of service are earned and the member had either a spouse to whom the member had been married for two or more years, or the member had a dependent under the age of 18.

   Annual Amount – The benefit is computed as regular retirement benefit, but reduced in accordance with a 100% joint and survivor election.

7. Benefit Increases After Retirement
   No automatic increases after retirement are provided. Cost of living increases, as passed by the State legislature, have been made from time to time.

Annuity Savings Account

Each member shall, as a condition of employment, contribute to the Fund 3% of his/her compensation. Effective July 1, 1986, each employing unit may elect to "pick up" the member contribution. No part of the member contributions to the Fund picked up by the employer is includable in the gross income of the member. The "pick up" amount does count in the salaries used to determine the final average at retirement. Any member who leaves covered employment has the option to withdraw accumulated contributions and interest. In the event of a death of a member who has served less than fifteen years or does not meet the surviving spouse requirements, the designated beneficiary or estate is entitled to a lump sum settlement of contributions plus interest.

Indiana pension statutes stipulate that members of the Fund shall have the opportunity to direct their Annuity Savings Accounts into one of five current investment programs:

1. The Guaranteed Fund - Interest is credited at a rate annually determined by the Board of Trustees. Principal and interest are "guaranteed". Market risk is assumed by the Fund.

2. The Bond Fund – The fund contains high quality fixed-income instruments which provide interest/capital gain income. Market risk is assumed by the member.

3. S&P 500 Index Fund – This fund closely tracks the return on the S&P 500 Index by employing an indexing strategy that invests in the stocks of the S&P 500 Index companies. Market risk is assumed by the member.

4. Small Cap Equity Fund – This fund consists of stocks with a market capitalization of less than $1.5 billion. Market risk is assumed by the member.

5. International Equity Fund – This fund consists of securities of developed non-U.S. countries. Market risk is assumed by the member.

The Guaranteed Fund, Bond Fund, S&P 500 Index Fund, Small Cap Fund and International Fund are valued at market value. When a member retires, dies or suspends membership and withdraws from the Fund, the amount credited to the member shall be valued at the market value of the member's investment, plus accrued interest and/or earnings on their investment, less accrued investment expenses.

Members may only make a selection or re-allocation once per quarter. The changes will be in effect the first month of the quarter following the request for change. Members may request allocations to one or all of the approved funds, as long as those allocations are made in 10% increments of the total balance in the member's account at the time of allocation. The total must equal 100%.

Note 3. Employer Contributions Required and Employer Contributions Made

The Indiana State Teachers' Retirement Fund is funded on a pay-as-you-go basis for employees hired prior to July 1, 1995, and who have maintained continuous employment with the same school corporation or covered institution since that date. State appropriations are made for the amount of estimated pension benefit payouts for each fiscal year. If the actual pension benefit payout for the fiscal year exceeds the amount appropriated, the difference is paid from the Pension Stabilization Fund. For employees hired on or after July 1, 1995; or hired before July 1, 1995, and prior to June 30, 2005, were either hired by another school corporation or institution covered by the Fund or were re-hired by a covered prior employer; the individual employer will make annual contributions. These contributions are set as a percentage of the employee's salary at a rate recommended by the Fund's actuaries and approved by the Fund's Board of Trustees.

Based on the actuarial valuation at June 30, 2007, employer actuarially required contributions were $819,638,258 for the fiscal year ended June 30, 2009. Contributions made by employers for the year ended June 30, 2009, were $853,790,969.

Note 4. Deposit and Investment Risk Disclosures

The Fund's Investment policy states the following:

"The Fund was established in 1915 to pay retirement, disability, death, and survivor benefits to public school teachers and administrators, regularly employed teachers at certain state universities and other educational institutions, and certain other educational employees. Pursuant to Indiana law and the Internal Revenue Code, TRF must be operated for the exclusive benefit of, and solely in the interest of, members and their beneficiaries. TRF is required by Indiana law to meet all rules applicable to a qualified plan under Section 401 of the Internal Revenue Code, in order to provide the ensuing tax advantages to its members. In addition, TRF is a trust, exempt from taxation under Section 501 of the Internal Revenue Code. The Fund is also governed by Indiana statutes and administrative rules. See IC 5-10.2 and IC 5-10-4."

"Whereas, the general assembly also believes that a prudent diversification of investments by public retirement funds is an essential element of a stringent investment standard for such funds and is critical for the future; and"

"Whereas, the general assembly finds that numerous actuarial studies of retirement funds in Indiana and other states have demonstrated that, due to the long-term nature of the investment made by public retirement funds, diversification of such investments in a responsible manner reduces risk, increases income, and improves security for such funds, while a lack of diversification results in reduced income and increased risk to the retirement funds, while creating a substantial additional burden for the taxpayers who ultimately bear the burden of providing the assets for such funds in the absence of sufficient investment income; and"

"Whereas, the general assembly desires to pass a diversification rule patterned after the stringent federal law applicable to private plans, which will provide that the trustees of each fund must diversify the investments of their fund so as to minimize the risk of large losses."

"Thus, the primary governing statutory provision is that the Board must 'invest its assets with the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims.' The Board is also required to diversify such investments in accordance with prudent investment standards. IC 5-10.4-3-10."

It is the responsibility of the Board of Trustees to determine the allocation of assets among distinct capital markets in accordance with allowable legal limits.

The strategic asset allocation for employer assets effective on June 30, 2009 is as follows:

Domestic Equities	29%
International Equities	20
Private Equity	10
Real Estate	8
Absolute Return	7
Commodities	1
Fixed Income	25
	100%

The asset allocation for the Guaranteed Fund, which are employee assets in the members' Annuity Savings Accounts, is 90% fixed income securities and 10% equity securities.

Interest Rate Risk

The Fund uses the Barclays Capital Aggregate Index as the benchmark for performance measurement of domestic fixed income managers and various other indices for international fixed income managers.

As of June 30, 2009, the Fund had the following duration information (dollars in thousands):

Investment Type	Net Asset Fair Value	% of Net Asset Fair Value	Effective Duration
Short Term Investment Funds	$ 413,505	10.8%	0.00
Short Term Bills and Notes	94,064	2.5	0.39
Commercial Paper	2,800	0.1	0.00
Asset-Backed Securities	44,388	1.2	2.40
Commercial Mortgage-Backed Securities	217,391	5.7	4.93
Corporate Bonds	1,152,989	30.1	5.05
Corporate Bonds	114,099	3.0	N/A
Index Linked Government Bonds	29,503	0.8	4.09
Guaranteed Fixed Income	23,768	0.6	1.38
Government Agencies	203,673	5.3	4.60
Government Bonds	632,980	16.5	4.20
Government Mortgage Backed Securities	731,637	19.1	3.36
Bank Loans	58,998	1.5	N/A
Municipal/Provincial Bonds	8,061	0.2	6.97
Collateralized Mortgage Obligations	26,149	0.7	1.39
Duration Not Available	73,803	1.9	N/A
Total	$ 3,827,808	100.0%	3.48

That is the difference between good teachers and great teachers: good teachers make the best of a pupil's means; great teachers foresee a pupil's ends.

-- Maria Callas

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Fund will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Investments are exposed to custodial credit risk if the securities are uninsured and unregistered and are either held by the counterparty's trust department or agent, but not in the name of the Fund.

There was no custodial credit risk for investments including investments related to securities-lending collateral. Per IC 5-10.4-3-13, all Fund investments are held by banks or trust companies under custodial agreements and all custodians must be domiciled in the United States.

Deposit Risks

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized or collateralized with securities held by the pledging financial institution. Deposits held in the demand deposit account are carried at cost and are insured up to $250,000 each. Deposits in the demand accounts held in excess of $250,000 are not collateralized. Deposits with the Treasurer of State are entirely insured. Cash deposits held with the custodian, brokers and counterparty are carried at cost and are not insured or collateralized.

Assets Exposed (dollars in thousands):		
Demand Deposit Accounts – Bank Balance	$	15,956
Margin Deposits with Brokers		22,946
Cash Collateral with Counterparty		6,390
Cash Held with Custodian		5,842
Total Exposed	$	51,134

Credit Risk

The credit risk of investments is the risk that the issuer will default and not meet their obligation. This credit risk is measured by the credit quality ratings issued by national rating agencies such as Moody's and Standard and Poor's. The Fund's credit risk of investments policy is set on a manager by manager basis.

The following table (in thousands of dollars) provides information on the credit ratings associated with the Fund's investments in debt securities. Ratings were obtained from Moody's.

Rating		Fair Value	Percentage of Portfolio
Aaa	$	918,527	23.9%
US Gov't Guaranteed		912,148	23.8
Aa		134,994	3.5
A		380,524	9.9
Baa		472,897	12.3
Ba		121,427	3.2
B		12,362	0.3
Caa		49,173	1.3
Ca		20,824	0.5
C		642	0.0
Unrated		816,085	21.3
Total	$	3,839,603	100.0%

Concentration of Credit Risk

As of June 30, 2009, TRF did not have investments in any one issuer, other than securities issued or guaranteed by the U.S. government that represented more than 5% of net investments.

Foreign Currency Risk

As of June 30, 2009, 12.8% of the Fund's investments were in foreign currencies. The Fund does not have a formal policy relating to foreign currency risk. The table below breaks down the Fund's exposure to each foreign currency (in thousands of dollars):

Currency	Equities	Contracts, Cash and Bonds	Total Fair Value	Percent of Total Fund Fair Value
Euro Currency Unit	$ 280,738	$ 49,551	$ 330,289	4.6%
Japanese Yen	178,637	20,120	198,757	2.8
British Pound Sterling	118,419	11,052	129,471	1.8
Australian Dollar	56,380	4,254	60,634	0.9
Swiss Franc	37,076	515	37,591	0.5
Hong Kong Dollar	29,272	212	29,484	0.4
Canadian Dollar	25,203	(236)	24,967	0.4
Norwegian Krone	22,768	197	22,965	0.3
Swedish Krona	6,914	9,521	16,435	0.2
Other	54,779	12,331	67,110	0.9
Totals	$ 810,186	$ 107,517	$ 917,703	12.8%

It is the supreme art of the teacher to awaken joy in creative expression and knowledge.
-- Albert Einstein

Securities Lending

State statutes and the Board of Trustees permit the Fund to lend securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The Fund's custodial bank manages the securities lending program and receives securities or cash as collateral. The Fund's custodial bank maintains a list of broker-dealers that have passed their credit analysis and are eligible to borrow securities. In addition, the Fund can have any borrower removed from this list by requesting the custodian not lend to this borrower. The collateral securities cannot be pledged or sold by the Fund unless the borrower defaults, but cash collateral may be invested by the Fund. Collateral securities and cash are initially pledged at 102% of the market value of domestic securities lent and 105% on international securities lent. Collateral is adjusted to the market on a daily basis. No more than 40% of TRF's total assets may be lent at any one time. At year-end, TRF has no credit risk exposure to borrowers because the amount TRF owes the borrowers exceeds the amounts the borrowers owe TRF.

Approximately 25% of the securities loans can be terminated on demand either by the Fund or by the borrower, although generally the average term of these loans is one day. Total cash collateral of $152 million is invested in a pooled fund. As of June 30, 2009, TRF had an $11.8 million liability allocated to TRF's investment portfolio relating to a difference in the book value of the assets of the pooled fund over the market value of the assets in that fund.

The larger the island of knowledge, the longer the shoreline of wonder.
-- Ralph M. Sockman

As of June 30, 2009, the Fund had the following securities on loan (dollars in thousands):

Security Type	Market Value of Loaned Securities Collateralized by Cash	Market Value of Loaned Securities Collateralized by Noncash	Total Securities Loaned
Global Equities	$ 13,118	$ 1,310	$ 14,428
U.S. Agencies	1,255	-	1,255
U.S. Corporate Fixed	9,341	-	9,341
U.S. Equities	53,213	30	53,243
U.S. Gov't Fixed	70,896	-	70,896
Total	$ 147,823	$ 1,340	$ 149,163

Outstanding Short Sales

Short sales occur when investments have been sold which are not yet owned by the Fund. Prior to settlement of the sale, the investments will be procured. For the investments directly held by the Fund within the custody accounts, the outstanding short sales are included as accounts receivable from sales of investments and as negative investments. A schedule of the negative investments as of June 30, 2009, is listed below. These investments reduced the debt securities investments shown on the balance sheet. These transactions involve market risk, as the asset to be delivered may become more costly to procure and then losses would be realized.

A schedule of the outstanding short sales at June 30, 2009 follows (dollars in thousands):

Type of Investment:		
US Treasuries	$	13,219
Government Mortgage Backed		13,277
Total	$	26,496

Derivative Financial Instruments

TRF invested in derivative financial investments as authorized by Board policy. A derivative security is an investment whose payoff depends upon the value of other assets, such as commodity prices, bond and stock prices, or market index. In the case of an obligation to purchase long (a financial future or a call option), the full value of the obligation is held in cash or cash equivalents. For obligations to sell short (a financial future or a put option), the reference security is held in the portfolio. Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by imposing strict limits as to the types, amounts, and degree of risk that investment managers may undertake. These limits are approved by the Board of Trustees and senior management, and the risk positions of the investment managers are reviewed on a periodic basis to monitor compliance with the limits. During the year, TRF's derivative investments included cash and cash equivalent futures, equity derivatives-options, fixed income derivatives–options, rights/warrants, swaps, foreign currency forward contracts, collateralized mortgage obligations (CMOs), treasury inflation protected securities (TIPS), and futures.

TRF's investment managers use financial futures to replicate an underlying security or index they wish to hold (sell) in the portfolio. In certain instances, it may be beneficial to own a futures contract rather than the underlying security (arbitrage). Additionally, TRF's investment managers use futures contracts to adjust the portfolio's risk exposure. A financial futures contract is an agreement to buy or sell a specific amount at a specified delivery or maturity date for an agreed-upon price. Financial future positions are recorded with a corresponding offset, which results in a carrying value equal to zero. At June 30, 2009, the total offset was $354.8 million. As the market value of the futures contract varies from the original contract price, a gain or loss is recognized and paid to or received from the clearinghouse. The cash or securities to fulfill these obligations are held in the investment portfolio.

Cash and cash equivalent futures are used to manage exposure at the front end of the yield curve. These include swaps with a duration of one year or less, and Eurodollar, Euribor and other futures based on short-term interest rates. At June 30, 2009, TRF had no notional value in these instruments.

Equity derivatives–futures are used to gain exposure to an index or market sector. These may offer an opportunity to outperform due to active management of the liquid portfolio backing the exposure. Exposure is backed by underlying fixed-income portfolio. At June 30, 2009, TRF's equity derivatives position had a notional value of $284.4 million and an offset of an equal value of $284.4 million.

Fixed income derivatives–futures are used to manage interest rate fluctuations. At June 30, 2009, TRF's fixed income futures had a notional value of $40.6 million and an offset of an equal value of $40.6 million.

Commodity futures are used to gain exposure to a particular commodity. At June 30, 2009, TRF's commodity futures had a notional value of $29.8 million and an offset of an equal value of $29.8 million.

Stock rights/warrants give the holder the right to buy a stock at a certain price until a certain date. At June 30, 2009, the carrying value of TRF's stock rights and warrants totaled $0.1 million.

Swaps are used to adjust interest rate and yield curve exposures and substitute for physical securities. Long swap positions ("received fixed") increase exposure to long-term interest rates; short positions ("pay fixed") decrease exposure. At June 30, 2009, the market value of TRF's swaps was $10.9 million and swap liabilities totaled $10.1 million.

Foreign currency contracts are used to hedge against currency risk and to purchase investments in non-dollar currencies. A foreign currency contract is an agreement to buy and sell a specific amount of foreign currency at a specified delivery or maturity date for an agreed-upon price. Fluctuations in the market value of foreign currency contracts are marked to market on a daily basis. At June 30, 2009, TRF had Pending Foreign Exchange purchases of $122.8 million and Pending Foreign Exchange sales of $123.3 million.

TRF's fixed income managers invest in CMOs to improve the yield or adjust the duration of the fixed income portfolio. As of June 30, 2009, the carrying value of TRF's CMO holdings totaled $60.9 million.

Treasury inflation protected securities (TIPS) are used by TRF's fixed income managers to provide a real return against inflation (as measured by the Consumer Price Index). As of June 30, 2009, TRF had $106.6 million in TIPS holdings.

TRF has two investment accounts that use absolute return strategies. One account uses a Pure Alpha strategy, where value is added through a broadly diversified active portfolio of global fixed income, currency, equity, inflation-indexed bond, EMD, EMFX, and Option markets. As of June 30, 2009, TRF had $72.3 million invested in this strategy. The other account is based on the concept of mean reversion. This strategy uses both top-down and bottom-up valuation methodologies to value asset classes, countries and individual securities in order to allocate assets to undervalued countries, currencies and securities. As of June 30, 2009, TRF had $113.1 million invested in this strategy.

Note 5. Partnership Investments

The Board of Trustees had approved commitments and TRF had entered into agreements to fund limited liability partnerships of $1,111.8 million as of June 30, 2009. The Fund had a net asset value of $428.4 million as of June 30, 2009, invested in these partnerships. The funding period for the amounts that TRF has already committed is from April 2002 to approximately June 2018. The outstanding commitments at June 30, 2009, totaled $519.9 million.

Note 6. Deferred Compensation Plan

The State offers its employees a deferred compensation plan (the plan) created in accordance with Internal Revenue Code Section 457. The plan, available to all State employees and employees of certain quasi-agencies and political subdivisions within the State, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held for the exclusive benefit of participants of the plan and their beneficiaries as required by section 457(g) of the Internal Revenue Code. In addition, the State has an Indiana Incentive Match Plan which provides $15 per pay period for each employee who contributes to the 457 Plan.

The State has established a deferred compensation committee that holds the fiduciary responsibility for the plan. The committee holds the deferred amounts in an expendable trust.

Note 7. Risk Management

The Fund is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; and natural disasters.

The policy of the Fund is not to purchase commercial insurance for the risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

Note 8. Employee Fund Membership

Employees of the Indiana State Teachers' Retirement Fund are eligible for membership in the Fund. Effective July 1, 2001, IC 21-6.1-4-1(a)-10 states that members of the Fund include persons who are employed by the Fund.

Note 9. Reserve Transfers with the Public Employees' Retirement Fund (PERF)

Transfers of a member's reserves are made between TRF and PERF when a member has service at the time of retirement that is covered by both funds. Service covered by PERF and the related Annuity Savings Account balance will be used by TRF at the time of retirement in calculating the member's retirement benefit from TRF. If the member is retiring from PERF, PERF will use the member's TRF service and Annuity Savings Account balance. At the time the retirement is calculated, TRF sets up a receivable from PERF for both the Annuity Savings Account balance and the calculated reserve for the service credit brought in from PERF. This receivable is included as a line item in the "Receivables" section of TRF's Statement of Fiduciary Net Assets. On the reverse side, TRF recognizes a payable in the Liabilities section of the Statement of Fiduciary Net Assets for TRF amounts used in calculating a PERF retiree's benefit.

Note 10. Retiree Group Health Insurance Program

TRF sponsors a Medicare supplemental group health insurance plan that is available to eligible TRF retirees and spouses age 65 and older, as well as certain disability retirees under age 65. This fully insured plan, offered through Anthem Insurance, covers retirees only and is funded solely through retiree paid premiums. Full premium payments for the contract year of April 1, 2008 to April 1, 2009 were $15,611,492, and the plan covered 7,285 retiree members. The Group Contract with Anthem includes a refund feature for favorable experience, and any refund amount is deposited in a TRF bank account designated for the health insurance program. The account holds investments as directed by TRF at 74% bond fund, 18% stock fund and 8% short-term investment fund. While the TRF Board invests these funds and may use them to stabilize the premiums paid by retirees for health insurance from Anthem, these funds consist solely of retiree premiums and earnings. Because there is no financial obligation on behalf of TRF or the State in relation to the designated account or the supplemental group health insurance plan, it is not subject to the OPEB liability reporting requirements of GASB No. 43 or 45.

The following are the designated funds and reserves maintained for the retiree health insurance program as of June 30, 2009.

Fair Value as of June 30, 2009	
TRF health care account balance	$ 13,737,514
Refund Receivable from Insurer for contract year ended April 30, 2009	1,110,147
Required Contract Reserves held by Anthem (Insurer):	
Funds Availability Reserve	1,951,436
Fee Stabilization Reserve	-
Total Designations and Reserves for Retiree Health Insurance Program	$ 16,799,097

Note 11. Actuarial Funding Status of the Fund

As of June 30, 2008, TRF was 48.2% funded. As stated in Note 3, members in the Pre-1996 Account are funded on a pay-as-you-go method for the employer portion of the pension and members in the 1996 Account are funded with employer contributions as they work. TRF accounts for these two classes of members as Pre-1996 Account and 1996 Account, respectively. The Pre-1996 Account is 37.7% funded and the 1996 Account is 104.1% funded.

The actuarial methods and significant assumptions used by TRF are summarized in the table below:

Valuation Date	**June 30, 2008**
Actuarial Cost Method	**Entry Age Actuarial Cost Method**
Amortization Method	**Level Dollar**
Amortization Period	**30 Years**
Asset Valuation Method	**4-year Smoothed Market Value with Corridor**
Actuarial Assumptions:	
Investment Rate of Return	**7.50%**
Projected Salary Increase	**3.50% - 12.50%**
Included Wage Inflation	**3.25%**
Cost of Living Adjustments	**1.5% Compounded Annually on Pension Portion**

The funded ratio of the Fund has increased from 44% at June 30, 2003, to the ratio of 48% at June 30, 2008. A historical look at the funded status of the Fund can be found in the Required Supplemental Schedules provided.

The actuarial value of the Fund's assets as of the June 30, 2008 valuation was $9,034,047,394 and the actuarial accrued liability was $18,750,062,742. The difference is the Fund's unfunded actuarial accrued liability of $9,716,015,348. The annual covered payroll as of the June 30, 2008 actuarial valuation was $4,348,535,867 and the ratio of the unfunded actuarial liability to the annual covered payroll was 223%.

SCHEDULE OF FUNDING PROGRESS
(dollars in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) -- Entry-Age -- (b)	Unfunded AAL (UAAL) (b)-(a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (b)-(a) / (c)
Pre-1996 Account						
06/30/03	$ 5,728,553	$ 13,354,866	$ 7,626,313	43%	$ 2,448,271	311%
06/30/04	5,765,668	13,548,525	7,782,857	43	2,384,480	326
06/30/05	5,796,724	14,254,147	8,457,423	41	2,305,725	367
06/30/06	5,477,221	15,002,471	9,525,250	37	2,237,380	426
06/30/07	5,763,508	15,988,259	10,224,751	36	2,376,390	430
06/30/08	5,953,991	15,792,305	9,838,314	38	2,295,816	429
1996 Account						
06/30/03	$ 825,812	$ 1,392,473	$ 566,661	59%	$ 1,136,864	50%
06/30/04	1,038,727	1,649,401	610,674	63	1,267,173	48
06/30/05	1,268,575	2,010,746	742,171	63	1,428,604	52
06/30/06	2,209,468	2,363,101	153,633	93	1,565,341	10
06/30/07	2,713,051	2,827,554	114,503	96	1,891,605	6
06/30/08	3,080,057	2,957,758	(122,299)	104	2,052,720	(6)
Total Fund						
06/30/03	$ 6,554,365	$ 14,747,339	$ 8,192,974	44%	$ 3,585,135	229%
06/30/04	6,804,395	15,197,926	8,393,531	45	3,651,653	230
06/30/05	7,065,299	16,264,893	9,199,594	43	3,734,329	246
06/30/06	7,686,689	17,365,572	9,678,883	44	3,802,721	255
06/30/07	8,476,559	18,815,813	10,339,254	45	4,267,995	242
06/30/08	9,034,048	18,750,063	9,716,015	48	4,348,536	223

It's not what is poured into a student, but what is planted.
--Linda Conway

SCHEDULE OF CONTRIBUTIONS FROM THE EMPLOYERS AND OTHER CONTRIBUTING ENTITIES
(dollars in thousands)

Fiscal Year Ending	Valuation Date	Annual Required Contribution	Actual Employer Contribution	Percentage Contributed
Pre-1996 Account				
06/30/04	06/30/02	$ 532,326	$ 357,799	67%
06/30/05	06/30/03	516,267	394,387	76
06/30/06	06/30/04	556,460	601,259	108
06/30/07	06/30/05	602,904	636,039	105
06/30/08	06/30/06	678,050	675,682	100
06/30/09	06/30/07	700,307	706,366	101
1996 Account				
06/30/04	06/30/02	$ 106,215	$ 80,381	76%
06/30/05	06/30/03	102,919	90,392	88
06/30/06	06/30/04	116,096	100,081	86
06/30/07	06/30/05	139,978	117,001	84
06/30/08	06/30/06	122,009	132,446	109
06/30/09	06/30/07	119,331	147,425	124
Total Fund				
06/30/04	06/30/02	$ 638,541	$ 438,180	69%
06/30/05	06/30/03	619,186	484,779	78
06/30/06	06/30/04	672,556	701,340	104
06/30/07	06/30/05	742,882	753,040	101
06/30/08	06/30/06	800,059	808,128	101
06/30/09	06/30/07	819,638	853,791	104

Education is more than filling a child with facts. It starts with posing questions.
-- D.T. Max

INDIANA STATE TEACHERS' RETIREMENT FUND

Year Ended June 30, 2009

(dollars in thousands)

Personnel Services:		
Salaries and Wages	$	2,499
Employee Benefits		888
Temporary Services		197
Total Personnel Services		3,584
Contractual and Professional Services:		
Information Technology		2,497
Legal Services		130
Actuarial Services		121
Consulting Services		108
Audit Services		42
Benchmarking Services		37
Total Contractual and Professional Services		2,935
Communications:		
Printing		485
Postage		384
Telephone		54
Promotional Materials		30
Total Communications		953
Miscellaneous:		
Office Rent		197
Administrative Services		164
Office Expenses		114
Travel		52
Memberships & Training		28
Equipment Rental		27
Other Administrative Expenses		16
Total Miscellaneous		598
Total Administrative Expenses	$	8,070

INDIANA STATE TEACHERS' RETIREMENT FUND Year Ended June 30, 2009 (dollars in thousands)		
Custodial and Consulting:		
Investment Consultant	$	586
Investment Custodian		319
Investment Benchmarking		20
Total Custodial and Consulting Expenses		925
Investment Management Fees		31,877
Investment Staff Expenses		536
Administrative Investment Expenses		1,618
Total Investment Expenses	$	34,956

Education is what survives when what has been learned
has been forgotten.
-- B. F. Skinner

INDIANA STATE TEACHERS' RETIREMENT FUND

Year Ended June 30, 2009

(dollars in thousands)

Individual or Firm	Fee	Nature of Services
Indiana Office of Technology	$ 1,852	IT System Development and Network Support
Public Employees' Retirement Fund	366	Computer and Legal Shared Services
Nyhart	121	Actuarial and Legislative Services
RCR Technology	107	Technical Writer for Procedure Documentation
CIBER	83	Business Continuity Consulting
Indiana Commission on Public Records	78	Imaging Services
KPMG	75	Business Systems Consulting
Ice Miller, LLC	54	Legal Services
State Board of Accounts	42	Audit Services
CEM Benchmarking, Inc.	35	Benchmarking Services
Ernst & Young	34	Consulting Services
Baker Daniels	25	Legal Services
AIRvan Consulting	25	Consulting Services
Krieg DeVault, LLP	20	Legal Services
Berwyn Death Audit	12	Death Services
McLagan Partners	3	Benchmarking Services
Metacommunications	1	Computer Services
St. Francis Occupational Health Center	1	Medical Consulting
Crossroads Rehabilitation Center, Inc.	1	Interpreter Services for the Deaf
Total Contractual and Professional Services Expenses	$ 2,935	

Fees paid to investment professionals can be found in the Investments Section.

Keep away from people who try to belittle your ambitions. Small people always do that, but the really great make you feel that you, too, can become great.

-- Mark Twain

Investments

CALLAN ASSOCIATES INC

October 1, 2009

Board of Trustees
Indiana State Teachers' Retirement Fund
150 West Market Street, Suite 300
Indianapolis, IN 46204

KENNETH E. BRUNKE JR.
SENIOR VICE PRESIDENT

Dear Trustees:

Callan Associates is pleased to present the Indiana State Teachers' Retirement Fund (TRF) results for the fiscal year ended June 30, 2009.

As of June 30, 2009, TRF had combined assets of $7.2 billion, a decrease of $1.4 billion since June 30, 2008. The decrease in assets over the latest fiscal year was primarily due to negative returns experienced in world equity markets.

The latest TRF fiscal year featured a period of unprecedented capital markets and global economic turmoil. The fiscal year started with a recession and a marginal drop in US economic GDP growth (negative 0.3%) in third quarter 2008, which then accelerated to a negative 6% annualized decline in the next six months. Following a huge government financial stimulus package and low interest rates, real GDP then declined at a slower negative 1% annual rate in second quarter 2009.

During the same period, unemployment remained high, financial institutions failed, automakers declared bankruptcy, and capital markets made history in the magnitude of their downs (July thru February) and ups (March thru June). In essence, there were few places to hide; the performance of all institutional investors was negatively impacted.

As in the previous fiscal year, the US equity markets had negative returns over the trailing one-year period, but much larger. The S&P 500 Index, an index of domestic large capitalization stocks, lost 26.2%, double last year's negative 13.1%; while smaller capitalization stocks as measured by the Russell 2000 Index, decreased by 25.0%. Continuing prior trends, growth outperformed value in the large cap and small cap arenas. In all market indices, information technology was the strongest performing sector, with financials still being the weakest, even after a strong fourth fiscal quarter.

Although experiencing negative returns, developed international equity markets reversed trend to underperform their domestic counterparts during the period, returning negative 31.4%, as measured by the MSCI EAFE (Europe, Australasia, and Far East) Index; this was primarily due to weak foreign currencies relative to the strong US dollar. Counter to the US, growth underperformed value, but similarly small beat large. Emerging markets declined but led the developed markets, returning negative 27.8% over the same time period, as measured by the MSCI Emerging Markets Index.

Even though US treasuries experienced a negative 3.0% return in the second quarter of calendar year 2009, the investment grade fixed income market, led by the corporate sector, continued to be an anchor of stability in uncertain times and again performed well over the trailing fiscal year period, returning a positive 6.1% as measured by the Barclays Capital Aggregate Index. Intermediate bonds (positive 6.1%) marginally outperformed long government/credit issues (positive 5.3%).

Although surging in the first half of calendar year 2009, high yield bonds continued to underperform investment grade issues over the fiscal year period, returning negative 2.4%, as measured by the Barclays Corporate High Yield Bond Index. Even with sub-prime concerns, the mortgage sector, as measured by the Barclays Capital Mortgage-Backed Securities Index, returned 9.4%, outperforming the broader fixed income market.

In the face of a difficult market environment, TRF Defined Benefit assets returned negative 18.0%, slightly outperforming the target benchmark return of negative 18.5%. Fixed income had the largest absolute positive impact on total fund fiscal year performance, while domestic large cap equity managers and the alternative investment pool had the largest positive relative impact. Specifically:

- TRF's domestic equity managers outperformed their passive target over the trailing one-year period, returning negative 23.9% versus the S&P Super 1500 Composite return of negative 26.3%. The majority of the Fund's large cap managers outperformed their passive benchmark, but the Fund's small cap manager composite trailed its benchmark by 3.4%.

- TRF's international equity managers (negative 32.9%) underperformed the MSCI ASWI ex USA ND Index (negative 30.9%) by 2.0% over the trailing one-year period. Certain managers did not meet expectations.

- TRF's Fixed Income Composite (positive 2.9%) trailed the Barclays Aggregate Bond Index (positive 6.1%) by 3.2% over the trailing twelve months; this was primarily due to one manager, who underperformed the index by negative 5.7%, representing 20% of fixed assets.

- The Fund's alternative exposure produced varying results over the trailing one-year period. While the Absolute Return Composite marginally outperformed its benchmark, the Real Estate and Alternatives Composites both trailed their respective benchmarks. The Real Estate, Absolute Return and Alternatives allocations are all relatively new and have not yet reached their three-year track records; performance in these asset classes typically lags in start up as managers fund their investments.

In summary, Callan Associates is pleased with the overall Indiana State Teachers' Retirement Fund performance over the near and long-term periods, particularly given this past fiscal year's difficult economic environment. TRF's continued focus on risk reduction and the allocation enhancements exhibited by additional diversification into new asset classes and managers has positively impacted TRF's performance through the recent periods of market duress, and has left the Fund well-positioned for the future.

Regards,

Ken Brunke
Ken Brunke
Senior Vice President

Summary of Investment Policies

The Board members are fiduciaries of the Fund. Indiana Code, Article 5-10.4 provides that a six-member Board of Trustees will oversee TRF. Five trustees shall be appointed by the governor, two of whom must be members of the Fund. The sixth member of the Board must be the director of the budget agency or the director's designee. An executive director appointed by the governor carries out the policies set by the Board and administers the Fund on a daily basis. Pursuant to Indiana law, the executive director is also required to be a TRF member.

The Board establishes investment policies; however, Indiana law establishes guidelines on the investment of the Fund's assets. At all times, TRF must invest its assets in accordance with the "Prudent Investor" standard. Under this standard, investment decisions are based upon the same degree of care that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a similar character with similar aims.

The Board's Investment Policy Statement (IPS) is designed to meet the objectives of the Fund. These objectives are:

- To have the ability to pay all benefit and expense obligations when due, at a reasonable cost to members and Indiana taxpayers.
- To maintain the purchasing power of the current assets and all future contributions by producing a positive real rate of return on Fund assets.
- To enhance the funded status of the plan with regard to the accumulated benefit obligation.
- To control the costs of administering the Fund and managing the investments.
- To meet all statutory requirements of the State of Indiana.

The Board does intend the IPS to be a dynamic document, and, as such, expects to review it periodically. The Board anticipates that changes will be made from time to time to reflect experience, investment product changes, benefit and structural changes, performance, and economic conditions. The purpose of the IPS is summarized below:

- Set forth the investment policies which the Board judges to be appropriate and prudent in consideration of the needs of the Fund, applicable legal requirements, and direct the assets of the Fund.
- Make clear distinctions between the responsibilities of the Board and those of the investment manager(s) selected by the Board.
- Establish criteria against which the investment manager(s) are to be measured.
- Communicate the investment policies, objectives, guidelines, and performance criteria of the Board to the staff, investment managers, consultants, employers, members, and all other interested parties.
- Serve as a review document to guide the ongoing oversight of the investment of the Fund.
- Demonstrate that the Board is fulfilling its fiduciary responsibilities in the management of the investments of the Fund solely in the interests of members and beneficiaries of the Fund.

The Board recognizes that the allocation of assets, particularly the broadly-defined mix between stocks and bonds, is the most important determinant of investment rates of returns over long periods of time. The procedure for determining the allocation will consider the relevant characteristics of the liabilities and the potential assets of the Fund. An asset liability study will be conducted no less than every three years and will analyze the expected returns of various asset classes, projected liabilities, risks associated with alternative asset mix strategies and their effect on the projected market value of assets, funded status, and contributions to the Fund.

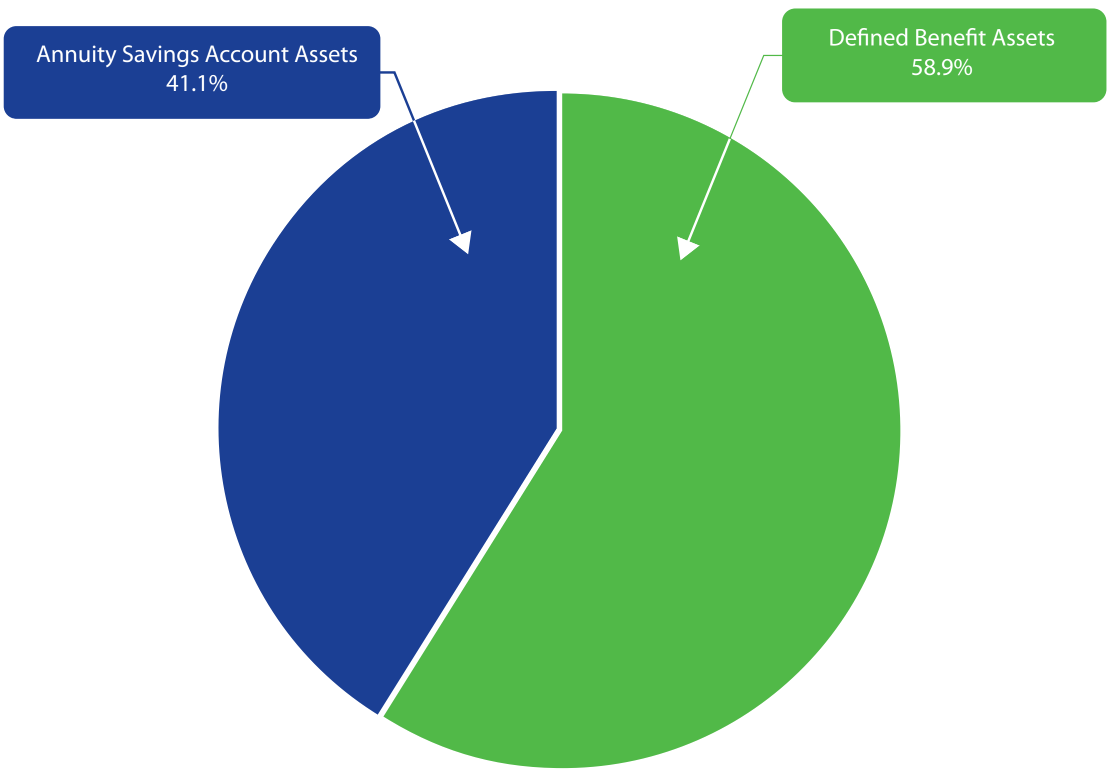
The investment portfolio includes long-term commitments to the following asset classes: domestic equity, domestic fixed income, international equity, and alternative investments.

The Board employs investment managers to implement the asset allocation through a selective and thorough search process that embodies the principles of procedural due diligence. It is the intent of the Board to encourage the participation of all qualified organizations in this process. The Board encourages investment managers to develop long-term investment strategies consistent with the guidelines outlined in the Fund's IPS, as well as governing Indiana statutes. Additionally, investment managers will adhere to and comply with the CFA Institute Global Investment Performance Standards in calculating and reporting investment performance. Performance of each manager is measured against the rate of return associated with appropriate market index benchmarks and an appropriate universe or style peer group of investment managers.

Investment Summary

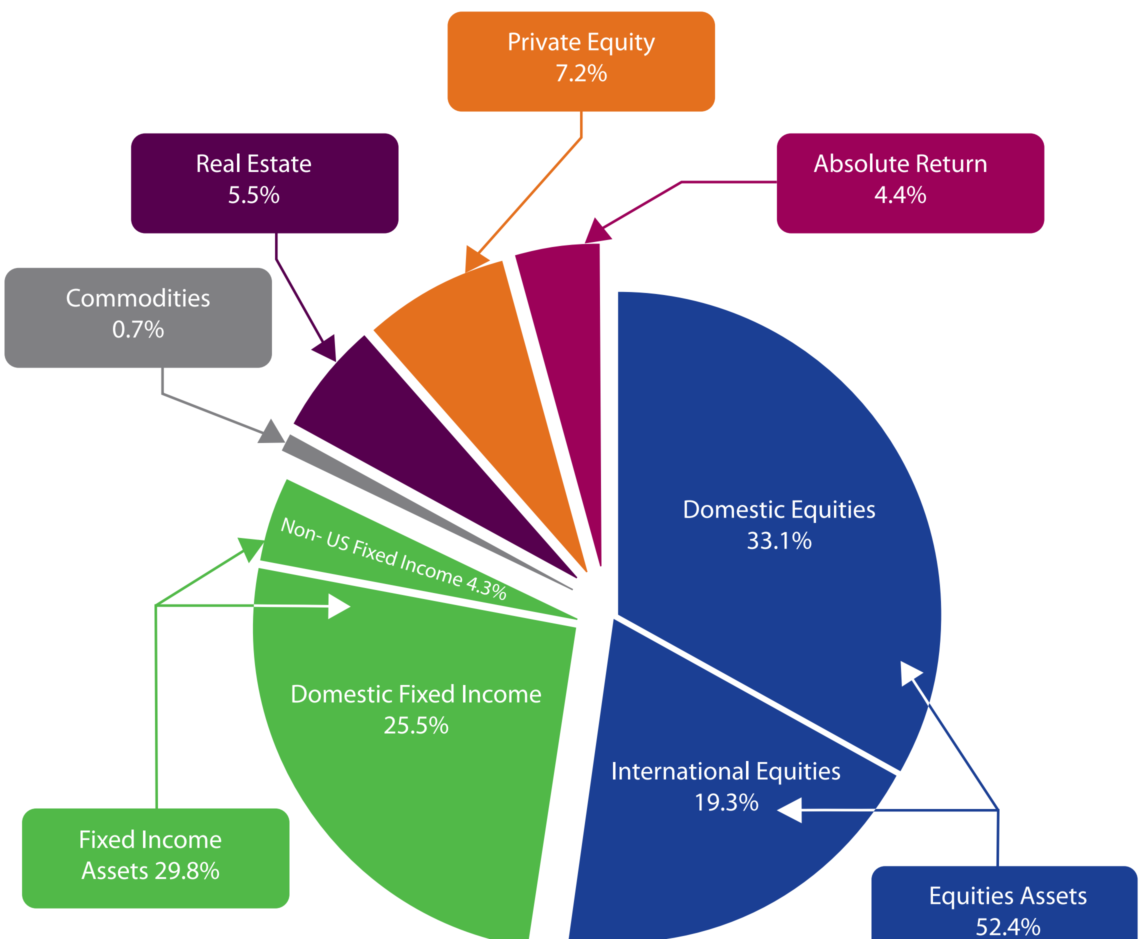
Fiscal Year Ended June 30, 2009
(dollars in millions)

	Assets	% of Total
Defined Benefit Assets	$ 4,236	58.9%
Annuity Savings Account Assets	2,961	41.1
Total Fund	$ 7,197	100.0%



Defined Benefit Assets
Investment Allocation Summary

	June 30, 2009	June 30, 2008
Equities:		
Domestic Equities	33.1%	37.8%
International Equities	19.3	22.5
Fixed Income:		
Domestic Fixed Income	25.5	23.4
Non-US Fixed Income	4.3	0.0
Commodities	0.7	0.0
Real Estate	5.5	5.9
Private Equity	7.2	5.7
Absolute Return	4.4	4.7
	100.0%	100.0%

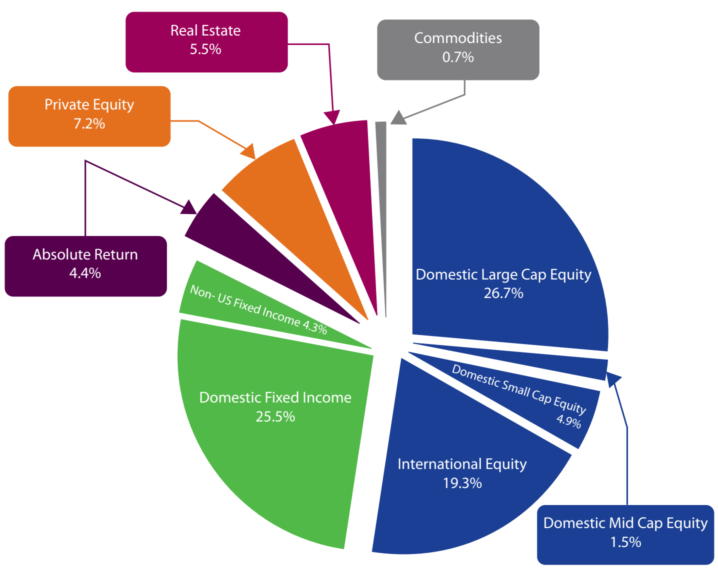


Defined Benefit Assets
Actual vs. Target

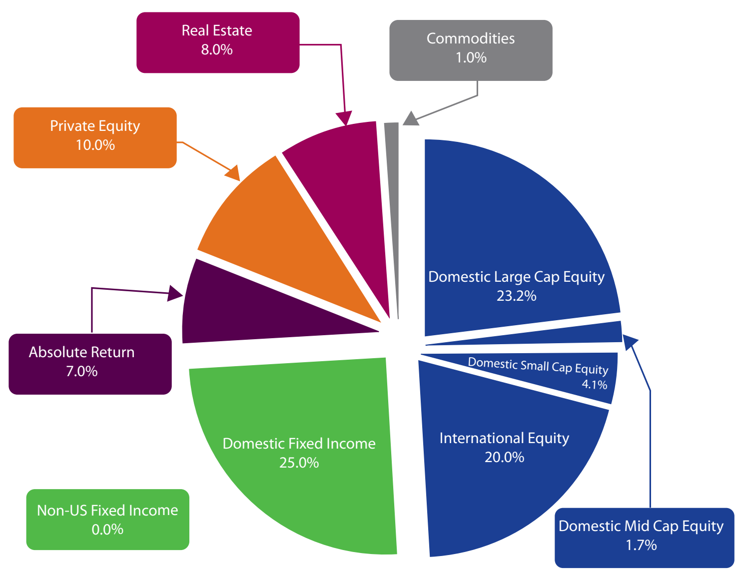
Fiscal Year Ended June 30, 2009
(dollars in thousands)

Asset Class	Actual	Percent Actual	Percent Target	Percent Difference	Difference
Domestic Large Cap Equity	$ 1,131,611	26.7%	23.2%	3.5%	$ 148,875
Domestic Mid Cap Equity	61,586	1.5	1.7	(0.2)	(10,425)
Domestic Small Cap Equity	209,846	4.9	4.1	0.8	36,173
International Equity	817,444	19.3	20.0	(0.7)	(29,742)
Domestic Fixed Income	1,082,660	25.5	25.0	0.5	23,678
International Fixed Income	181,531	4.3	0.0	4.3	181,531
Absolute Return	185,444	4.4	7.0	(2.6)	(111,071)
Private Equity	304,442	7.2	10.0	(2.8)	(119,151)
Real Estate	231,606	5.5	8.0	(2.5)	(107,268)
Commodities	29,759	0.7	1.0	(0.3)	(12,600)
Total	$ 4,235,929	100.0%	100.0%	-	-

Asset Allocation Actual



Asset Allocation Target



Defined Benefit Assets
Comparative Investment Results [1]

Fiscal Year Ended June 30, 2009
(percent return)[2]

		1 yr [3]	3 yr [4]	5 yr [4]
Total TRF Defined Benefit Fund		(18.0)%	(3.2)%	2.0%
vs.	**CAI Public Fund Universe Median [5]**	(18.1)	(2.8)	2.3
	Target Reference Index [6]	(18.5)	(3.4)	1.9
Total TRF Domestic Equity		(23.9)	(6.9)	(0.9)
vs.	**CAI Public Fund Universe Median**	(26.1)	(8.4)	(1.6)
	S&P 500	(26.3)	(8.2)	(2.0)
Total TRF International Equity		(32.9)	(7.1)	3.2
vs.	**CAI Public Fund Universe Median**	(30.5)	(6.0)	3.9
	MSCI EAFE Index	(30.9)	(5.8)	2.3
Total TRF Fixed-Income		2.9	5.2 [7]	4.1 [7]
vs.	**CAI Public Fund Universe Median**	4.3	5.3	4.5
	BC US Aggregate Index	6.1	6.4	5.0

1 Investment returns within this table reflect Defined Benefit assets. Investment returns indicated in Management's Discussion and Analysis reflect TRF Defined Benefit plus ASA assets.

2 Gross of Fees.

3 1-year investment performance is based on performance calculations made by the Fund's custodian, Northern Trust.

4 3-year and 5-year investment performance is based on performance calculations made by the Fund's consultant, Callan Associates.

5 Universe of Public Funds.

6 Composed of passive indices for each asset class held at the target asset allocation.

7 3-year and 5-year Fixed Income returns represent domestic fixed income only.

The highest result of education is tolerance.
-- Helen Keller

Defined Benefit Assets
Ten-Year Investment Rates of Return

Fiscal Year Ended June 30
(dollars in millions)

	Market Value	Rate of Return	Actuarial Assumed Rate
2000	2,906	9.9%	7.5%
2001	3,116	(0.1)	7.5
2002	3,032	(3.9)	7.5
2003	3,377	4.6	7.5
2004	3,738	14.8	7.5
2005	4,041	9.1	7.5
2006	4,521	11.2	7.5
2007	5,501	17.9	7.5
2008	5,252	(6.0)	7.5
2009	4,236	(18.0)	7.5

Defined Benefit Assets Investment Summary

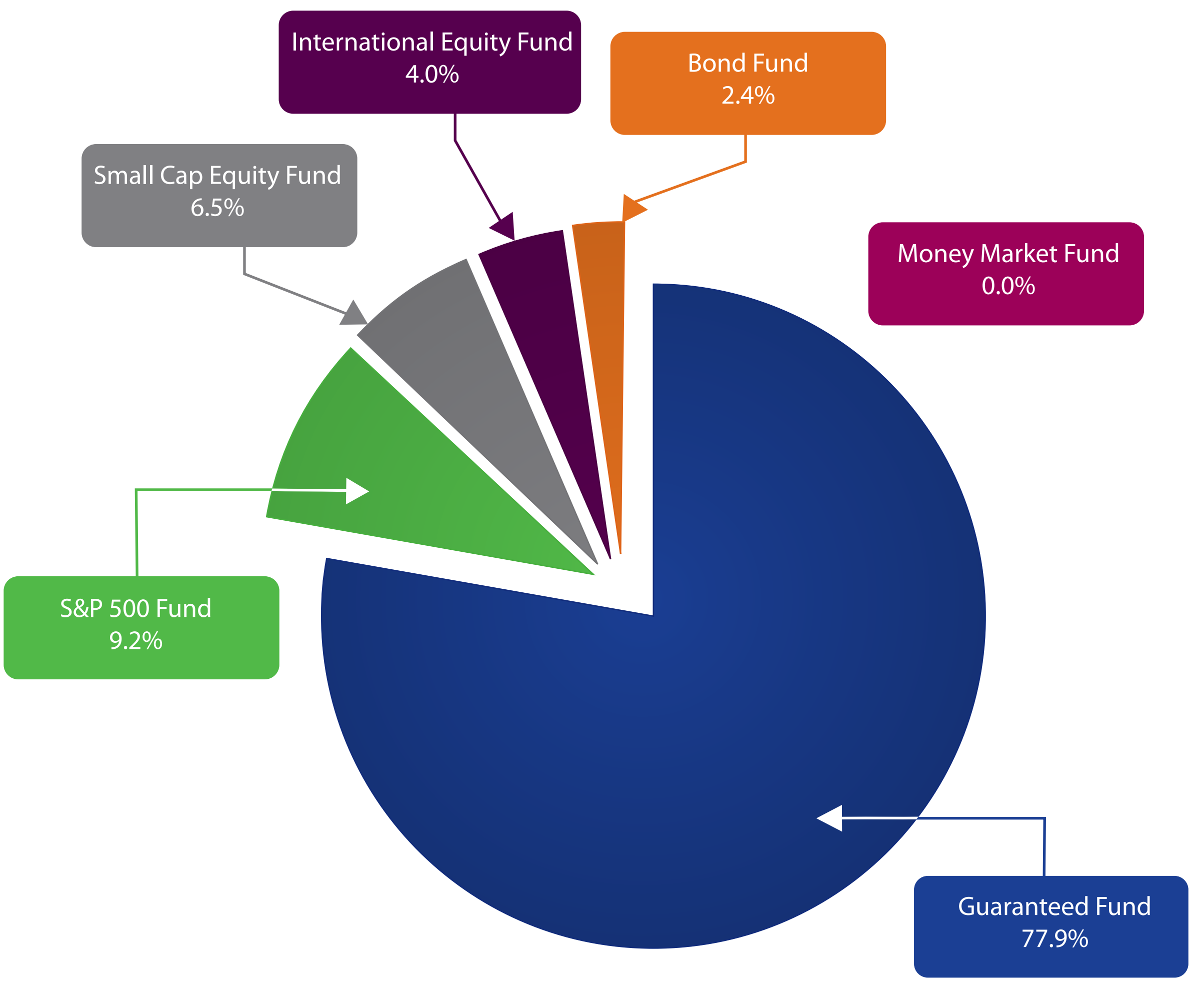
Fiscal Year Ended June 30, 2009
(dollars in millions)

	Beginning Account Balance	Ending Account Balance	Percentage of Total Fair Value
Domestic Equity	$ 1,986	$ 1,403	33.1%
International Equity	1,182	817	19.3
Total Equity	3,168	2,220	52.4
Domestic Fixed Income	1,227	1,083	25.5
International Fixed Income	-	182	4.3
Total Fixed Income	1,227	1,265	29.8
Private Equity	297	304	7.2
Absolute Return	248	185	4.4
Real Estate	312	232	5.5
Commodities	-	30	0.7
Total TRF DB Assets	$ 5,252	$ 4,236	100.0%

Annuity Savings Account Assets

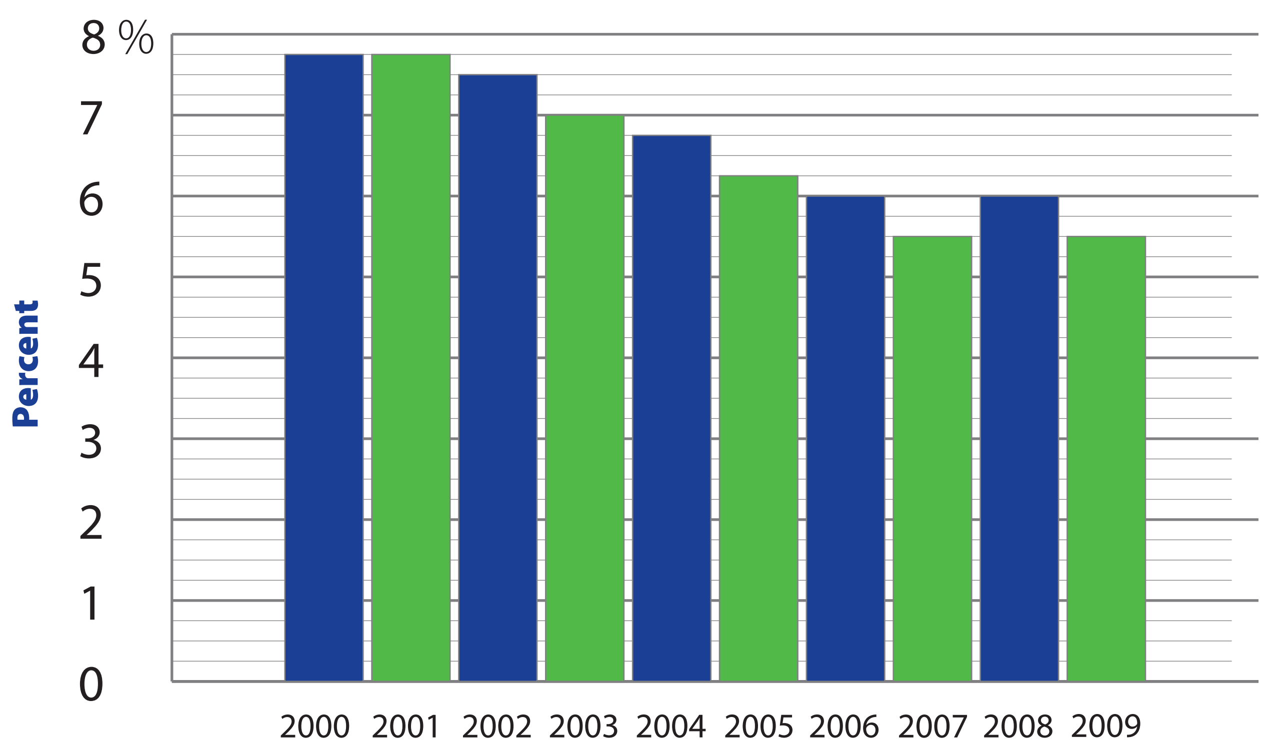
Fiscal Year Ended June 30, 2009
(dollars in millions)

	Actual Dollars	% Actual
Guaranteed Fund	$ 2,306	77.9%
S&P 500 Fund	272	9.2
Small Cap Equity Fund	194	6.5
International Equity Fund	117	4.0
Bond Fund	71	2.4
Money Market Fund	1	0.0
Total	$ 2,961	100.0%



Annuity Savings Account
Guaranteed Fund Interest Crediting Rates
as of June 30

Year	Interest Crediting Rate
2000	7.75%
2001	7.75
2002	7.50
2003	7.00
2004	6.75
2005	6.25
2006	6.00
2007	5.50
2008	6.00
2009	5.50



Top 10 Equity Holdings for Combined Defined Benefit and Annuity Savings Account Assets

Fiscal Year Ended June 30, 2009
(by Market Value)*

Company	Shares	Market Value
Exxon Mobil	391,808	$ 27,391,297
Siemens	192,203	13,253,219
IBM	123,436	12,889,187
Microsoft Corporation	520,440	12,370,859
Johnson & Johnson Company	201,994	11,470,419
Procter & Gamble Company	220,312	11,257,943
BNP Paribas	167,870	10,890,157
British Petroleum	1,296,675	10,203,082
HSBC	1,174,461	9,719,160
Apple	66,812	9,516,033

* A complete list of portfolio holdings is available upon request.

Top 10 Fixed Income Holdings for Combined Defined Benefit and Annuity Savings Account Assets

Fiscal Year Ended June 30, 2009
(by Market Value)*

Name	Coupon	CUSIP/ SEDOL	PAR Value	Market Value
US Treasury Notes	1.130%	912828LF5	$ 106,490,000	$ 106,498,519
US Treasury Notes	0.875	912828KU3	62,050,000	61,827,241
US Treasury Notes	1.750	912828JZ4	46,820,000	45,503,422
FNMA DTD	6.625	31359MGK3	21,845,000	26,755,210
FNMA Single Family Mortgage	4.500	01F042681	26,825,000	26,665,713
FNMA Pool #889037	5.500	31410GV67	24,849,287	25,784,763
Citigroup Inc	8.500	172967EV9	24,770,000	25,197,010
US Treasury Notes	0.875	912828KE9	25,210,000	25,192,353
FNMA Pool #745275	5.000	31403C6L0	24,337,912	24,906,425
US Treasury Notes	3.750	912828JR2	24,270,000	24,689,143

* A complete list of portfolio holdings is available upon request.

Fees by Asset Class

Fiscal Year Ended June 30, 2009

Asset Class	Amount Paid in Fees
Domestic Large Cap Equity	$ 3,137,544
Domestic Mid Cap Equity	109,428
Domestic Small Cap Equity	2,442,148
International Equity	3,840,966
Domestic Fixed Income	2,594,055
Non-US Fixed Income	189,967
Real Estate	2,457,475
Private Equity	14,026,251
Absolute Return	3,078,885
Total Fees Paid	$ 31,876,719

Every student can learn, just not on the same day, or the same way.
-- George Evans

Custodian

Northern Trust
50 South LaSalle Street
Chicago, IL 60675

Consultants

Callan Associates
120 North LaSalle Street
Suite 2100
Chicago, IL 60602

RV Kuhns
190 South LaSalle Street
Suite 190
Chicago, IL 60603

Domestic Equity

Barclays
45 Fremont Street
San Francisco, CA 94014

Barrow Hanley
2200 Ross Avenue
31st Floor
Dallas, TX 75201

Columbus Circle
Metro Center
One Station Place
Stamford, CT 06902

Cortina
330 East Kilbourn
Suite 850
Milwaukee, WI 53202

Earnest
1180 Peachtree Street
Suite 2300
Atlanta, GA 30309

Franklin
One Boston Place
29th Floor
Boston, MA 02108

INTECH
2401 P.G.A. Boulevard
Suite 100
Palm Beach Gardens, FL 33410

Jacobs Levy
100 Campus Drive
Florham Park, NJ 07932

JP Morgan Asset Mgmt
245 Park Avenue
7th Floor
New York, NY 10167

PIMCO
840 Newport Center Drive
Newport Beach, CA 92658

QMA
Two Gateway Center
4th Floor
Newark, NJ 07102

Rhumbline
30 Rowes Wharf
Boston, MA 02110

Turner
1205 Westlakes Drive
Suite 100
Berwyn, PA 19312

Wells
3 Parkwood Crossing
Suite 310
Indianapolis, IN 46240

International Equity

Alliance Bernstein
1345 Avenue of the Americas
35th Floor
New York, NY 10105

Fisher
13100 Skyline Boulevard
Woodside, CA 94062

Gryphon
20 Bay Street
Suite 1905
Toronto, ON M5J2N8

Manning & Napier
360 Central Avenue
Suite 1500
St. Petersburg, FL 33701

State Street Global
1 Lincoln Street
33rd Floor
Boston, MA 02111

Fixed Income

Alliance Capital
1345 Avenue of the Americas
35th Floor
New York, NY 10105

Mellon Capital
One Mellon Center
AIM 151-2120
Pittsburgh, PA 15258

Mondrian
2001 Market Street
Suite 3810
Philadelphia, PA 19103

Prudential
Two Gateway Center, 4th Floor
100 Mulberry Street
Newark, NJ 07102

Reams
227 Washington Street
Suite 666
Columbus, IN 47201

Taplin, Canida & Habacht
1001 Brickell Bay Drive
Suite 2100
Miami, FL 33131

Alternatives

Private Equity

Credit Suisse
315 Park Avenue South
12th Floor
New York, NY 10010

Hamilton Lane
7777 Fay Avenue
Suite 206
La Jolla, CA 92037

Portfolio Advisors
9 Old Kings Highway South
Darien, CT 06820

Real Estate

LaSalle Investment Management
200 East Randolph Drive
Chicago, IL 60601

Prudential Real Estate
8 Campus Drive
Parsippany, NJ 07054

RREEF
975 North Michigan Avenue
41st Floor
Chicago, IL 60611

TA Associates
200 Clarendon Street
56th Floor
Boston, MA 02116

Absolute Return

Bridgewater
1 Glendinning Place
Westport, CT 06880

GMO
40 Rowes Wharf
Boston, MA 02110

Commodities

Goldman Sachs
32 Old Slip Road
31st Floor
New York, NY 10005

Actuarial

July 21, 2009

nyhart
www.nyhart.com

The Board of Trustees
Indiana State Teachers' Retirement Fund
Indianapolis, IN

Dear Board Members:

An actuarial valuation is prepared annually for the Indiana State Teachers' Retirement Fund. Submitted in this report are the results of the June 30, 2008 actuarial valuation.

Census Data and Asset Information

The member census data and the asset information for this valuation were furnished by the Chief Financial Officer and Staff. Their efforts and cooperation in furnishing these materials are acknowledged with appreciation. We did not audit the information provided, but we did review it thoroughly for reasonableness and compared it with the prior year's submission for consistency.

Assumptions and Methods

The actuarial assumptions used in the June 30, 2008 valuation were adopted by the Board pursuant to the Experience Study of August, 2008, which reflects the experience period from July 1, 2002 to June 30, 2007. This is a change from the assumption basis used in the June 30, 2007 valuation, which was conducted using assumptions based on the experience period from July 1, 1996 to June 30, 2002. Assumptions are summarized in the Assumptions and Methods section of this report. These assumptions and methods have been used to develop the Annual Required Contribution and are consistent with the accounting requirements detailed in GASB Statements No. 25, No. 27, and No. 50.

Funding Objective

The Indiana State Teachers' Retirement Fund Pre-1996 Account is funded on a pay-as-you-go basis from the State of Indiana.

The funding objective of the Indiana State Teachers' Retirement Fund 1996 Account is to establish and receive contributions that, when invested at the assumed rate of return, will ultimately accumulate assets over each member's working lifetime that will be sufficient to pay expected retirement allowances. As such, an employer contribution rate is calculated each year. That rate is then considered in conjunction with the goal of maintaining a relatively stable contribution over time.

Certification

We have included several schedules and exhibits in this report, including the following:

Summary of Actuarial Assumptions and Methods
Analysis of Financial Experience
Solvency Test
Schedule of Retirants and Beneficiaries
Schedule of Active Members' Valuation Data
Schedule of Funding Progress
Schedule of Employer Contributions

The valuation was completed under the supervision of a Member of the American Academy of Actuaries with significant experience in valuing employee retirement systems, and was prepared using generally accepted actuarial principles and in accordance with standards of practice prescribed by the Actuarial Standards Board. To the best of our knowledge, this report is complete and accurate and the actuarial methods and assumptions produce results that are reasonable.

Respectfully submitted,

John L. Dowell, FSA, EA, MAAA   Michael Zurek, EA, MAAA

JD/lmw

Fund Structure

The Indiana State Teachers' Retirement Fund (TRF) is one fund comprised of a two-account structure in compliance with Indiana Code Section 5-10.4-2-2:

1. The Pre-1996 Account consists of members who were hired prior to July 1, 1995, and who have maintained continuous employment with the same school corporation or covered institution since that date.
2. The 1996 Account consists of members who were:
   a. hired on or after July 1, 1995; or
   b. hired before July 1, 1995, and prior to June 30, 2005:
      i. were either hired by another school corporation or institution covered by TRF, or
      ii. were re-hired by a covered prior employer.

Characteristics of the Pre-1996 Account

1. Active membership in the Pre-1996 Account continues to decline as members quit, become disabled, die, retire, or incur a change in status as described in (2.b.) above, thereby automatically transferring to membership in the 1996 Account.
2. The Defined Benefits from the Pre-1996 Account are funded by State appropriations (including contributions of some revenue from the State Lottery). At the time of retirement, Annuity Savings Account (ASA) benefits payable from the Pre-1996 Account are funded by the annuitization of Pre-1996 Account member contributions.

Characteristics of the 1996 Account

1. As members depart from active service in the Pre-1996 Account, their replacements will become members of the 1996 Account. If the 1996 Account were a stand-alone plan, this pattern of departures and hirings would produce a fairly constant population size.
2. Defined Benefits payable from the 1996 Account are funded by contributions from local school corporations or other institutions that employ covered members. At the time of retirement, ASA benefits payable at retirement from the 1996 Account are funded by the annuitization of 1996 Account member contributions.

Funding Arrangements

Prior to the legislation that established the two-account structure of TRF, the Defined Benefits of the Indiana State Teachers' Retirement Fund were funded with a pay-as-you-go method. Under this arrangement, amounts were appropriated to meet the current year's pension payment requirements. Defined Benefits payable from the Pre-1996 Account continue to be funded on this basis.

In 1995, the Pension Stabilization Fund was set up for the Pre-1996 Account. Since then, some pre-funding progress has been made via State appropriations to this account.

Defined Benefits payable from the 1996 Account are funded through employer percent-of-pay contributions. The Board of the Teachers' Retirement Fund sets this contribution rate after reviewing the most recent actuarial valuation report.

The contribution rate of 7.00% for fiscal year 2010 was set by the Board in fiscal year 2009 for the 1996 Account.

Plan Provisions

The ad-hoc cost of living adjustment (COLA), effective January 1, 2008, was included in the census information provided. Any additional COLA was estimated by an ongoing assumption of 1.5% annual increases in all Defined Benefit payments. The minimum disability benefit was increased from $100 to $180 per month. We are not aware of any other changes in the plan provisions since the June 30, 2007 actuarial valuation.

Assumptions and Methods

Several of the actuarial assumptions used in the June 30, 2007 valuation were based on plan experience from July 1, 1996 to June 30, 2002. An updated experience study was conducted, analyzing the plan experience from July 1, 2002 to June 30, 2007. Based on the results of the study, the annual pay increase assumption, the retirement age assumption, and the withdrawal rate assumption have been revised. The mortality table assumption has also been changed to reflect a more current table.

The amortization of the unfunded accrued liability has been changed to reflect a level dollar amount over 30 years. In prior valuations, it reflected a payment that was set to be a level percent of pay over 30 years.

Investment Experience

Investment return for the year ended June 30, 2008 was lower than the assumed 7.5%. The market value rate of return was negative 4.3%. Under the asset valuation method, market gains and losses are spread over a four-year period. The Market Value of Assets is currently $470 million lower than the Actuarial Value of Assets, meaning a portion of the recent losses have not yet been recognized but will be in the upcoming years.

Challenges

The 1996 Account has been steadily funded since its inception. As membership in this portion of the plan increases, the amount of required contributions will increase as a dollar amount, but should remain relatively stable as a percentage of covered payroll with plan experience causing gradual changes. The primary funding challenge will be for the State to meet the projected pay-as-you-go obligations for the Pre-1996 Account.

Actuarial Schedules

The schedules shown in the Actuarial Section, including a Summary of Actuarial Assumptions & Methods, Analysis of Financial Experience, Solvency Test, Schedule of Active Members' Valuation Data, and the Schedule of Retirants and Beneficiaries were prepared by the actuary.

The Schedule of Funding Progress and Schedule of Contributions from the Employers and Other Contributing Entities can both be found in the Financial Section.

The assumptions used in this valuation reflect the study of experience covering the period July 1, 2002, through June 30, 2007.

Investment Return Rate

The investment return rate is 7.5% per year, compounded annually (net after administrative expenses).

Pay Increase Assumption

The assumption for each consists of a merit and/or seniority increase, 3.0% for price inflation, and 0.25% for real wage growth.

Pay Increase Assumption

Years of Service	Merit & Seniority	Base (Economic)	Total
1	9.25%	3.25%	12.50%
5	4.50	3.25	7.75
10	3.25	3.25	6.50
15	2.00	3.25	5.25
20	0.75	3.25	4.00
25	0.25	3.25	3.50
30	0.25	3.25	3.50
35	0.25	3.25	3.50
40	0.25	3.25	3.50

Total Active Member Payroll

For purposes of calculating the projected contribution for the 2010 fiscal year, the total active member payroll is assumed to increase 10.0% annually for the 1996 Account and be partially offset by payroll decreases for the Pre-1996 Account.

Price Inflation

Price inflation is assumed at 3.0% per year. Price inflation is not directly tied to benefits; however, it is a component of the economic model used to determine total wage inflation.

Mortality

Healthy

2008 IRS Static Mortality Table projected an additional five years (sex specific).

Disabled

2008 IRS Static Mortality Table projected an additional five years (sex specific).

Retirement

Sample probabilities are shown in the chart below.

Probabilities of Age and Service Retirement

Age	Regular Retirement	Rule of 85 Retirement	Early Retirement
50-53	-	-	0.015
54	-	-	0.030
55	-	0.160	0.040
56	-	0.130	0.050
57	-	0.135	0.060
58	-	0.145	0.070
59	-	0.160	0.080
60	0.180	0.180	-
61	0.220	0.220	-
62	0.250	0.250	-
63	0.200	0.200	-
64	0.250	0.250	-
65	0.350	0.350	-
66	0.300	0.300	-
67	0.200	0.200	-
68	0.250	0.250	-
69	0.300	0.300	-
70	1.000	1.000	-

Withdrawal

Sample probabilities are shown in the chart below.

Probabilities of Withdrawal

	Service Based	
Years of Service	Male	Female
0	0.3500	0.3500
1	0.1400	0.1500
2	0.1000	0.1200
3	0.0800	0.0950
4	0.0600	0.0850
5	0.0500	0.0750
6	0.0450	0.0650
7	0.0400	0.0550
8	0.0350	0.0500
9	0.0300	0.0450
	Age Based	
Attained Age	Male	Female
25	0.0250	0.0400
30	0.0250	0.0400
35	0.0230	0.0340
40	0.0180	0.0200
45	0.0130	0.0150
50	0.0350	0.0350
55	0.0350	0.0350
60	0.0350	0.0350

Disability

Sample probabilities are shown in the chart below.

Probabilities of Disability

	Age Based	
Attained Age	Male	Female
25	0.0001	0.0001
30	0.0001	0.0001
35	0.0001	0.0001
40	0.0001	0.0001
45	0.0002	0.0002
50	0.0005	0.0005
55	0.0009	0.0009
60	0.0010	0.0010

Education is not the filling of a pail,
but the lighting of a fire.
-- William Butler Yeats

Actuarial Cost Method

Entry Age Normal (level percent of pay) method, with a 30-year, level dollar amortization of the Unfunded Accrued Liability arising from all sources including actuarial gains and losses.

Asset Valuation Method

The Actuarial Value of Assets recognizes investment gains and losses in equal installments over four years. However, the Actuarial Value is limited to no more than 20% greater than or 20% less than the Market Value of Assets.

Marriage Assumption

100% of members are assumed to be married for purposes of valuing death-in-service benefits. Male spouses are assumed to be three years older than female spouses.

Pay Increase Timing

Beginning of (fiscal) year is used. Payroll amounts stated in the valuation data are amounts projected to be paid during the current year.

Decrement Timing

Decrements are assumed to occur at the beginning of the fiscal year.

Other

Disability and withdrawal decrements do not operate after member reaches retirement eligibility. Only the withdrawal and death decrements operate during the first ten years of service.

Miscellaneous Adjustments

The calculated liabilities and normal costs were increased by 1% to account for the inclusion of unused sick leave in the calculation of average compensation.

Actuarial Equivalence Basis for Optional Forms of Payment

The following is used: 7.5% interest with a 40%/60% unisex blend of the 1983 Group Annuity Male Mortality Table set back three years and the 1983 Group Annuity Male Mortality Table set back seven years.

Explicit Expense Load

None

Cost of Living Adjustment Assumption

1.5% compounded annually on Defined Benefit portion is used.

Employee Census and Asset Data

Census and asset information was furnished as of the valuation date by the Fund's administrative staff. Although examined thoroughly for reasonableness and consistency with prior years, the data was not otherwise audited by the actuary.

The actuarial valuation computations were made under the supervision of a Member of the American Academy of Actuaries (MAAA).

Effective teachers seek feedback and consensus on their decisions and make sure that students understand.
-- Linda Shalaway

INDIANA STATE TEACHERS' RETIREMENT FUND

(dollars in millions)

	Pre-1996 Account	1996 Account	Total
June 30, 2007 UAAL *	$ 10,224	$ 115	$ 10,339
Actuarial Assumption Changes **			
Mortality Tables	(435)	(56)	(491)
Pay Increase	(203)	(185)	(388)
Withdrawal Rate	(25)	(7)	(32)
Retirement Age	113	21	134
Total Actuarial Assumption Changes	(550)	(227)	(777)
Demographic Experience / 2008 Data	(274)	(36)	(310)
Asset Investment (Gains)/Losses	45	3	48
New Entrants	155	14	169
Miscellaneous Other Adjustments ***	238	9	247
June 30, 2008 UAAL	$ 9,838	$ (122)	$ 9,716

* UAAL: Unfunded Actuarial Accrued Liabilities

** Several of the actuarial assumptions used in the June 30, 2007 valuation were based on plan experience from July 1, 1996 to June 30, 2002. An updated experience study was conducted, analyzing the plan experience from July 1, 2002 to June 30, 2007. Based on the results of the study, the annual pay increase assumption, the retirement age assumption, and the withdrawal rate assumption have been revised. In addition, the mortality table assumption has also been changed to reflect a more current table.

*** Miscellaneous Other Adjustments includes changes due to increases for benefit increases and expected net interest on assets and liabilities; partially offset by decreases for contributions.

The important thing is not so much that every child should be taught, as that every child should be given the wish to learn.
-- John Lubbock

INDIANA STATE TEACHERS' RETIREMENT FUND

(dollars in thousands)

	Actuarial Accrued Liabilities			
Year Ended June 30	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
Pre-1996 Account				
2003	$ 2,720,265	$ 4,832,821	$ 5,801,780	$ 13,354,866
2004	2,849,091	5,116,191	5,583,243	13,548,525
2005	2,925,367	5,653,502	5,675,277	14,254,146
2006	2,898,891	6,238,115	5,865,465	15,002,471
2007	3,016,052	7,063,889	5,908,318	15,988,259
2008	2,613,138	7,244,422	5,934,745	15,792,305
1996 Account				
2003	$ 358,338	$ 107,684	$ 926,451	$ 1,392,473
2004	445,896	148,889	1,054,616	1,649,401
2005	535,179	219,722	1,255,846	2,010,747
2006	602,051	282,638	1,478,412	2,363,101
2007	656,918	449,452	1,721,184	2,827,554
2008	649,840	514,933	1,792,985	2,957,758
Total				
2003	$ 3,078,603	$ 4,940,505	$ 6,728,231	$ 14,747,339
2004	3,294,987	5,265,080	6,637,859	15,197,926
2005	3,460,546	5,873,224	6,931,123	16,264,893
2006	3,500,942	6,520,753	7,343,877	17,365,572
2007	3,672,970	7,513,341	7,629,502	18,815,813
2008	3,262,978	7,759,355	7,727,730	18,750,063

Nothing is more powerful and liberating than knowledge.
-- William H. Gray III

INDIANA STATE TEACHERS' RETIREMENT FUND

(dollars in thousands)

		Portion of Actuarial Accrued Liabilities Covered by Assets			
Year Ended June 30	Actuarial Value of Assets	Active Member Contributions	Retirees and Beneficiaries	Active Member (Employer Financed Portion)	Total Actuarial Accrued Liabilities
Pre-1996 Account					
2003	$ 5,728,553	100.0%	62.2%	0.0%	42.9%
2004	5,765,668	100.0	57.0	0.0	42.6
2005	5,796,723	100.0	50.8	0.0	40.7
2006	5,477,221	100.0	41.3	0.0	36.5
2007	5,763,507	100.0	38.9	0.0	36.1
2008	5,953,991	100.0	46.1	0.0	37.7
1996 Account					
2003	$ 825,812	100.0%	100.0%	38.8%	59.3%
2004	1,038,727	100.0	100.0	42.1	63.0
2005	1,268,576	100.0	100.0	40.9	63.1
2006	2,209,468	100.0	100.0	89.6	93.5
2007	2,713,052	100.0	100.0	93.3	95.9
2008	3,080,056	100.0	100.0	100.0	104.1
Total					
2003	$ 6,554,365	100.0%	70.4%	0.0%	44.4%
2004	6,804,395	100.0	66.7	0.0	44.8
2005	7,065,299	100.0	61.4	0.0	43.4
2006	7,686,689	100.0	64.2	0.0	44.3
2007	8,476,559	100.0	63.9	0.0	45.1
2008	9,034,047	100.0	74.4	0.0	48.2

INDIANA STATE TEACHERS' RETIREMENT FUND

(dollars in thousands -- except average annual allowances)

Fiscal Year Ended June 30	Added to Rolls *		Removed from Rolls *		Net Transfers and Benefit Changes *	
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances
Pre-1996 Account						
2003						
2004						
2005						
2006						
2007	2,292	$ 52,947	(1,063)	$ (12,167)	(423)	$ (7,056)
2008	2,296	52,167	(966)	(11,026)	(104)	1,717
1996 Account						
2003						
2004						
2005						
2006						
2007	197	$ 3,658	(22)	$ (416)	423	$ 8,312
2008	255	5,126	(21)	(316)	104	1,659
Total						
2003						
2004						
2005						
2006						
2007	2,489	$ 56,605	(1,085)	$ (12,583)	0	$ 1,256
2008	2,551	57,293	(987)	(11,342)	0	3,376

* TRF changed actuarial services beginning with the fiscal year ending June 30, 2007. The previous actuary did not provide data with this detail.

INDIANA STATE TEACHERS' RETIREMENT FUND

(dollars in thousands -- except average annual allowances)

Fiscal Year Ended June 30	Rolls -- End of Year No.	Rolls -- End of Year Annual Allowances	% Increase in Annual Allowances	Average Annual Allowances
Pre-1996 Account				
2003	35,627	$ 516,617	7.5%	$ 14,501
2004	36,271	546,960	5.9	15,080
2005	37,421	586,597	7.2	15,676
2006	38,522	624,573	6.5	16,213
2007	39,328	658,297	5.4	16,739
2008	40,554	701,155	6.5	17,289
1996 Account				
2003	608	$ 10,447	528.6%	$ 17,183
2004	797	14,480	38.6	18,168
2005	1,091	20,584	42.2	18,867
2006	1,327	25,459	23.7	19,185
2007	1,925	37,013	45.4	19,228
2008	2,263	43,482	17.5	19,214
Total				
2003	36,235	$ 527,064	9.3%	$ 14,546
2004	37,068	561,440	6.5	15,146
2005	38,512	607,181	8.1	15,766
2006	39,849	650,032	7.1	16,312
2007	41,253	695,310	7.0	16,855
2008	42,817	744,637	7.1	17,391

Education costs money, but then so does ignorance.
-- Claus Moser

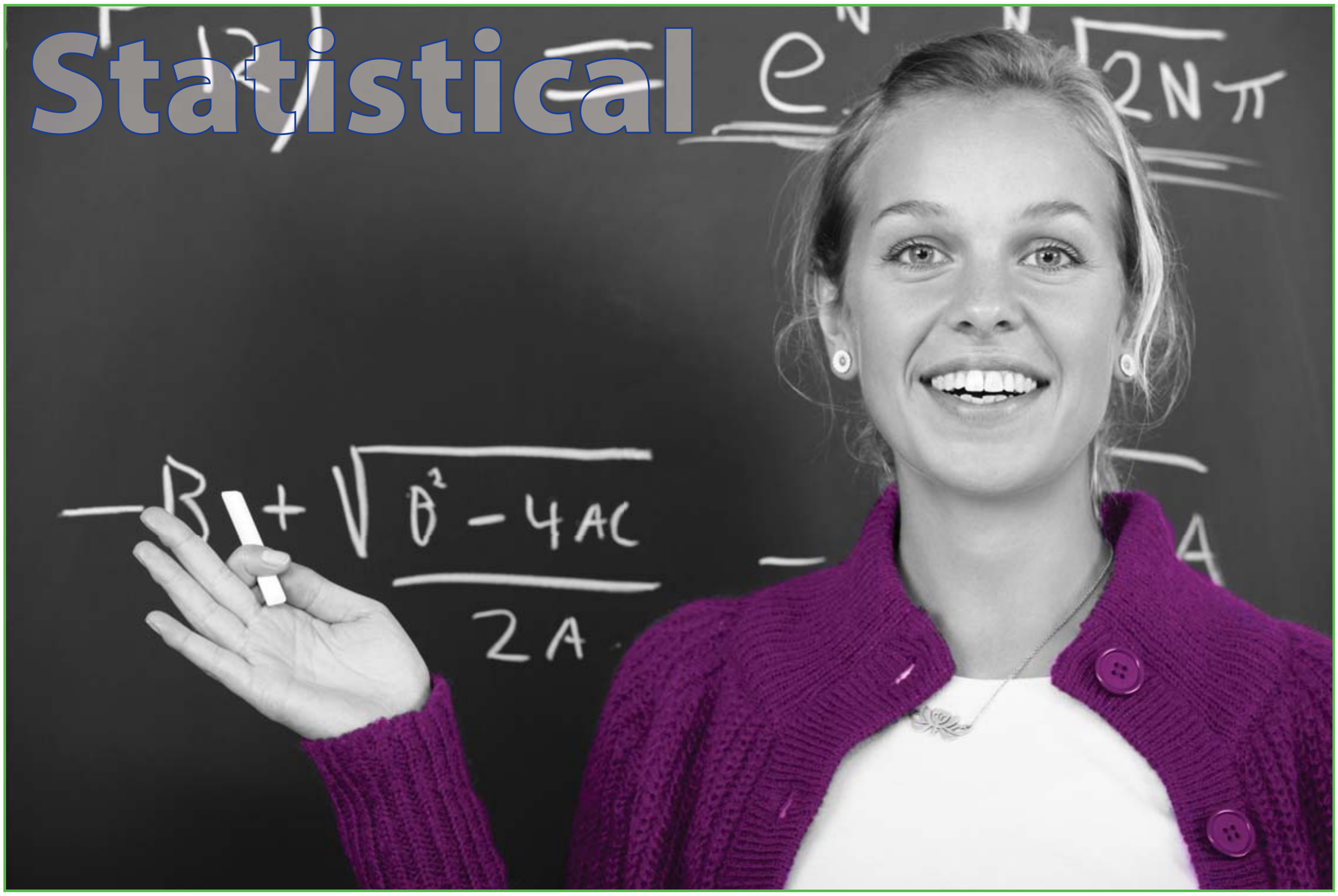
INDIANA STATE TEACHERS' RETIREMENT FUND

(dollars in thousands - except average pay)

As of June 30	Active Members	Annual Payroll	Average Pay	Percent Increase
Pre-1996 Account				
2003	43,705	$ 2,448,271	$ 56,018	2.2%
2004	41,510	2,384,480	57,444	2.5
2005	39,097	2,305,726	58,974	2.7
2006	36,994	2,237,380	60,480	2.6
2007	36,526	2,376,390	65,060	7.6
2008	34,628	2,295,816	66,299	1.9
1996 Account				
2003	29,936	$ 1,136,864	$ 37,976	5.4%
2004	32,000	1,267,173	39,599	4.3
2005	34,826	1,428,604	41,021	3.6
2006	36,356	1,565,341	43,056	5.0
2007	39,307	1,891,605	48,124	11.8
2008	41,628	2,052,720	49,311	2.5
Total				
2003	73,641	$ 3,585,135	$ 48,684	1.7%
2004	73,510	3,651,653	49,676	2.0
2005	73,923	3,734,330	50,516	1.7
2006	73,350	3,802,721	51,844	2.6
2007	75,833	4,267,995	56,282	8.6
2008	76,256	4,348,536	57,025	1.3

The beautiful thing about learning is that no one can take
it away from you.
-- B.B. King

Statistical



This part of the Comprehensive Annual Financial Report contains more detailed information regarding TRF's financial viability and pension benefit offerings for understanding the Financial Statements, Notes to the Financial Statements, and Required Supplemental Schedules.

Financial Trends

The following schedules contain historical trends to assist in understanding changes over time in financial performance:

- Schedule of Changes in Net Assets
- Schedule of Benefit Deductions by Type

Demographic and Economic Information

The following schedules contain benefit and member data to provide a better understanding of TRF's benefit offerings:

- Schedule of Benefit Recipients by Type
- Schedule of Average Benefit Payments
- Schedule of Participating Employers

Genius without education is like silver in the mine.
-- Benjamin Franklin

INDIANA STATE TEACHERS' RETIREMENT FUND

Fiscal Year Ended June 30

(dollars in thousands)

	2009	2008	2007	2006	2005
Additions					
Member Contributions	$ 128,568	$ 123,928	$ 126,195	$ 130,496	$ 117,897
Employer Contributions	819,187	778,128	723,039	671,340	454,779
Employer - Pension Stabilization Fund	30,000	30,000	30,000	30,000	30,000
Investment Income (net of expenses)	(1,390,148)	(381,080)	1,223,431	572,290	560,890
Transfer from Public Employees' Retirement Fund	4,260	3,188	3,841	5,092	3,973
Other	0	0	0	0	864
Total Additions to Plan Net Assets	$ (408,133)	$ 554,164	$ 2,106,506	$ 1,409,218	$ 1,168,403
Deductions					
Pension and Disability Payments	$ 934,296	$ 950,855	$ 897,676	$ 779,714	$ 723,734
Distributions of Contributions and Interest	9,613	10,463	12,901	9,562	9,237
Administrative and Depreciation Expenses	10,254	6,920	6,522	6,750	7,025
Transfer to Public Employees' Retirement Fund	2,525	2,761	37	1,484	2,982
Total Deductions from Plan Net Assets	$ 956,688	$ 970,999	$ 917,136	$ 797,510	$ 742,978
Changes in Net Assets					
Beginning of Year	8,563,959	8,980,794	7,791,424	7,179,716	6,754,291
End of Year	7,199,138	8,563,959	8,980,794	7,791,424	7,179,716
Net Increase / (Decrease)	$ (1,364,821)	$ (416,835)	$ 1,189,370	$ 611,708	$ 425,425

INDIANA STATE TEACHERS' RETIREMENT FUND

Fiscal Year Ended June 30

(dollars in thousands)

	2004	2003	2002	2001	2000
Additions					
Member Contributions	$ 115,833	$ 109,500	$ 107,052	$ 104,523	$ 101,456
Employer Contributions	408,180	575,066	541,083	537,892	483,635
Employer - Pension Stabilization Fund	30,000	30,000	30,000	155,000	162,500
Investment Income (net of expenses)	723,094	344,777	(158,320)	25,733	397,858
Transfer from Public Employees' Retirement Fund	2,781	3,847	1,254	2,379	1,755
Other	1,424	1,354	2,153	5,433	1,209
Total Additions to Plan Net Assets	$ 1,281,312	$ 1,064,544	$ 523,222	$ 830,960	$ 1,148,413
Deductions					
Pension and Disability Payments	$ 655,352	$ 615,922	$ 595,496	$ 580,170	$ 529,746
Distributions of Contributions and Interest	9,704	7,397	6,450	8,754	9,439
Administrative and Depreciation Expenses	7,628	6,677	8,032	6,804	5,545
Transfer to Public Employees' Retirement Fund	2,364	1,774	1,251	2,057	1,036
Total Deductions from Plan Net Assets	$ 675,048	$ 631,770	$ 611,229	$ 597,785	$ 545,766
Changes in Net Assets					
Beginning of Year	6,148,027	5,722,753	5,810,760	5,577,585	4,974,938
End of Year	6,754,291	6,148,027	5,722,753	5,810,760	5,577,585
Net Increase / (Decrease)	$ 606,264	$ 432,774	$ (88,007)	$ 233,175	$ 602,647

INDIANA STATE TEACHERS' RETIREMENT FUND

Fiscal Year Ended June 30

(dollars in thousands)

Year	Pension Benefits	Disability Benefits	Total Benefits
2000	$ 529,568	$ 178	$ 529,746
2001	580,061	109	580,170
2002	595,369	127	595,496
2003	615,782	140	615,922
2004	655,234	118	655,352
2005	723,626	108	723,734
2006	779,616	98	779,714
2007	897,580	96	897,676
2008	950,755	100	950,855
2009	934,216	80	934,296

What we want is to see the child in pursuit of knowledge,
and not knowledge in pursuit of the child.
-- George Bernard Shaw

INDIANA STATE TEACHERS' RETIREMENT FUND

June 30, 2008

Amount of Monthly Benefit *	Number of Benefit Recipients by Benefit Option								
	A-1	A-2	A-3	B-1	B-2	B-3	Survivors	Classroom Disability	Total
Pre-1996 Account									
$ 1 - 500	2,187	1,599	224	899	149	204	555	26	5,843
501 - 1,000	2,650	2,611	365	1,557	407	617	371	2	8,580
1,001 - 1,500	2,997	2,686	419	3,005	969	1,096	146	0	11,318
1,501 - 2,000	2,300	2,130	278	2,707	1,001	1,166	101	0	9,683
2,001 - 3,000	1,206	1,068	159	1,226	510	569	28	0	4,766
over 3,000	96	80	11	89	46	42	0	0	364
Total	11,436	10,174	1,456	9,483	3,082	3,694	1,201	28	40,554
1996 Account									
$ 1 - 500	104	75	6	72	9	14	15	0	295
501 - 1,000	124	78	23	105	23	31	13	0	397
1,001 - 1,500	157	105	24	138	37	46	4	0	511
1,501 - 2,000	150	109	16	181	40	62	6	0	564
2,001 - 3,000	104	88	14	131	38	52	4	0	431
over 3,000	15	16	0	22	6	6	0	0	65
Total	654	471	83	649	153	211	42	0	2,263

* Pension only

A-1: Provides a monthly benefit for retiree's life. In the event the retiree dies before receiving five years of payments, the beneficiary receives the remainder of the five years (60 months) of guaranteed Defined Benefit pension payments in a lump sum.

A-2: Provides a monthly benefit for retiree's life. The benefit ceases upon the death of the retiree.

A-3: Provides a monthly benefit for retiree's life, including monthly annuitization of member's Annuity Savings Account (ASA). In the event the retiree dies before receiving five years of payments, the beneficiary will receive the remainder of the five years of guaranteed pension payments. The ASA is reduced with each monthly benefit paid; if the retiree dies before reducing the balance to $0.00, the beneficiary will receive a single payment of the amount remaining.

B-1: Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 100% of the member's Defined Benefit for the remainder of the survivor's life.

B-2: Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 66 2/3% of the member's Defined Benefit for the remainder of the survivor's life.

B-3: Provides a monthly benefit for retiree's life. Upon the death of the retiree, the qualified designated survivor receives 50% of the member's Defined Benefit for the remainder of the survivor's life.

Survivors*: Provides a monthly benefit for the surviving spouse's or dependent's life. The benefit ceases upon the death of the survivor.

Classroom Disability: Provides a benefit of $125 per month plus $5 for each additional year of TRF-covered service over five years.

*(of members who die while in service)

INDIANA STATE TEACHERS' RETIREMENT FUND

Fiscal Year Ended June 30, 2008

(amounts in dollars)

Description	5-9 *	10-14	15-19	20-24	25-29	30+	Total
Pre-1996 Account							
Average Monthly Defined Benefit	$ 584	$ 253	$ 456	$ 715	$ 1,072	$ 1,614	$ 1,267
Average Monthly Annuity **	$ 76	$ 87	$ 85	$ 119	$ 153	$ 209	$ 174
Average Final Average Salary	$ 33,325	$ 20,644	$ 30,920	$ 36,794	$ 42,478	$ 48,761	$ 43,817
Number of Benefit Recipients	62	1,090	3,654	4,901	7,171	23,676	40,554
1996 Account							
Average Monthly Defined Benefit	$ 310	$ 384	$ 601	$ 865	$ 1,303	$ 1,944	$ 1,441
Average Monthly Annuity **	$ 31	$ 65	$ 73	$ 119	$ 153	$ 205	$ 160
Average Final Average Salary	$ 35,582	$ 36,515	$ 41,969	$ 48,138	$ 54,230	$ 61,702	$ 54,752
Number of Benefit Recipients	19	128	287	259	379	1,191	2,263

* Members with less than 10 years of service who are receiving a disability benefit from TRF.

** Members may choose to take the distribution of the Annuity Savings Account (ASA) in two ways. This represents those retirees who elected to receive their ASAs as a supplemental monthly payment in addition to the Defined Benefit.

The role of parents in the education of their children
cannot be overestimated.
-- Mexican American Legal Defense Fund

INDIANA STATE TEACHERS' RETIREMENT FUND

June 30, 2009

Participating Employer	City	Rank	Active Members	Percentage of Total TRF Members
Top 10 Employers				
Indianapolis Public Schools	Indianapolis	1	3,243	4.4%
Fort Wayne C.S.C.	Fort Wayne	2	2,435	3.3
Evansville-Vanderburgh Schools	Evansville	3	1,687	2.3
South Bend C.S.C.	South Bend	4	1,606	2.2
Vigo County School Corp.	Terre Haute	5	1,218	1.6
Wayne Township, MSD of	Indianapolis	6	1,148	1.5
Gary C.S.C.	Gary	7	1,139	1.5
Carmel Clay School Corp.	Carmel	8	1,101	1.5
Hamilton Southeastern School Corp.	Fishers	9	1,097	1.5
Elkhart C.S.C.	Elkhart	10	1,078	1.4
Total -- 10 Employers			15,752	21.2
All Other -- 350 Employers			58,591	78.8
Grand Total -- 360 Employers			74,343	100.0%

Total Employers and Active Members

as of June 30*

Year	Employers	Active Members
2009	360	74,343
2008	361	76,256
2007	360	75,833
2006	358	73,350
2005	357	73,923
2004	343	73,510
2003	334	73,641
2002	325	75,383
2001	325	75,648
2000	325	77,870

* Total number of employers includes the State of Indiana Agencies as one employer versus 31 different State Agency employers.

INDIANA STATE TEACHERS' RETIREMENT FUND

JUNE 30, 2009

	Employer Name
1	21st Century Charter School at Fountain Square
2	21st Century Charter School at Gary
3	21st Century Charter School at Indianapolis
4	Adams Central C.S.C.
5	Adams-Wells C.S.C.
6	Alexandria C.S.C.
7	Anderson C.S.C.
8	Anderson Preparatory Academy
9	Area 30 Career Center
10	Argos C.S.C.
11	Attica C.S.C.
12	Auditor of State
13	Avon C.S.C.
14	Ball State University
15	Barr Reeve C.S.C.
16	Bartholomew C.S.C.
17	Batesville C.S.C.
18	Baugo C.S.C.
19	Beacon Academy Inc.
20	Beech Grove City School Corporation
21	Benton C.S.C.
22	Blackford C.S.C.
23	Bloomfield School District
24	Blue River Career Programs
25	Blue River Special Education Co-op
26	Blue River Valley School Corporation
27	Bluffton-Harrison - MSD of
28	Boone School Corporation
29	Bremen Public School Corporation
30	Brown County School Corporation
31	Brownsburg C.S.C.
32	Brownstown Central C.S.C.
33	Campagna Academy Charter School
34	Cannelton City School Corporation

	Employer Name
35	Carmel Clay School Corporation
36	Carroll C.S.C.
37	Cass Township - LaPorte County
38	Caston School Corporation
39	Center Grove C.S.C.
40	Centerville-Abington C.S.C.
41	Central Indiana Education Service Center
42	Central Nine Voc Tech School
43	Central Noble C.S.C.
44	Challenge Foundation Academy
45	Charles A. Beard Memorial School Corporation
46	Charles A. Tindley Accelerated School (Charter)
47	Christel House Academy (Charter)
48	Clark Pleasant C.S.C.
49	Clarksville C.S.C.
50	Clay C.S.C.
51	Clinton Central School Corporation
52	Clinton Prairie School Corporation
53	Cloverdale C.S.C.
54	Community Montessori School (Charter)
55	Concord C.S.C.
56	Covered Bridge Special Education
57	Covington C.S.C.
58	Cowan C.S.C.
59	Crawford County C.S.C.
60	Crawfordsville C.S.C.
61	Crothersville C.S.C.
62	Crown Point C.S.C.
63	Culver C.S.C.
64	Daleville C.S.C.
65	Danville C.S.C.
66	Daviess-Martin Special Education Co-op
67	Decatur County C.S.C.
68	Decatur Discovery Academy

	Employer Name
69	Decatur Township - MSD of
70	DeKalb County Central United School Corp.
71	DeKalb County Eastern C.S.C.
72	Delaware C.S.C.
73	Delphi C.S.C.
74	Dewey Township - LaPorte County
75	Duneland School Corporation
76	East Allen C.S.C.
77	East Central Indiana Educational Service Center
78	East Chicago City School Corporation
79	East Chicago Urban Enterprise Academy
80	East Gibson School Corporation
81	East Noble School Corporation
82	East Porter County School Corporation
83	East Washington School Corporation
84	Eastbrook C.S.C.
85	Eastern Greene Schools
86	Eastern Hancock County C.S.C.
87	Eastern Howard School Corporation
88	Eastern Pulaski School Corporation
89	Edinburgh C.S.C.
90	Elkhart C.S.C.
91	Elwood C.S.C.
92	Eminence C.S.C.
93	Evansville-Vanderburgh Schools
94	Fairfield C.S.C.
95	Fayette County School Corporation
96	Flanner House Elementary School (Charter)
97	Flat Rock-Hawcreek School Corporation
98	Fort Wayne C.S.C.
99	Frankfort, Community Schools of
100	Franklin C.S.C.
101	Franklin County C.S.C.
102	Franklin Township C.S.C.
103	Fremont - MSD of
104	Frontier School Corporation

	Employer Name
105	Galileo Charter School
106	Garrett Keyser Butler C.S.C.
107	Gary C.S.C.
108	Gibson-Pike-Warrick Special Education Co-op
109	Goshen C.S.C.
110	Greater Clark C.S.C.
111	Greater Jasper C.S.C.
112	Greater Randolph Interlocal Corporation
113	Greencastle C.S.C.
114	Greene-Sullivan Special Education Co-op
115	Greenfield Central C.S.C.
116	Greensburg C.S.C.
117	Greenwood C.S.C.
118	Griffith Public School Corporation
119	Hamilton C.S.C.
120	Hamilton Heights School Corporation
121	Hamilton Southeastern School Corporation
122	Hammond City School Corporation
123	Hanover C.S.C.
124	Heartland Career Center
125	Herron High School
126	Highland Town School Corporation
127	Hobart City School Corporation
128	Hoosier Academy Inc. - Indianapolis
129	Hoosier Academy Inc. - Muncie
130	Hope Academy
131	Huntington County C.S.C.
132	Indiana Math and Science Academy
133	Indiana State Teachers' Association
134	Indiana Virtual Academy
135	Indianapolis Metropolitan Career Academy #1
136	Indianapolis Public Schools
137	Irvington Community School (Charter)
138	Jac Cen Del C.S.C.
139	Jay School Corporation
140	Jennings County C.S.C.

	Employer Name
141	Jesse-Special Education School Corporation
142	John Glenn School Corporation
143	Joshua Academy, Inc. (Charter)
144	Kankakee Valley School Corporation
145	Kipp Indianapolis Charter School
146	Kipp Lead College Prep Charter School
147	Knox C.S.C.
148	Kokomo Center Township C.S.C.
149	Lafayette School Corporation
150	Lake Central School Corporation
151	Lake Ridge School Corporation
152	Lake Station C.S.C.
153	Lakeland School Corporation
154	Lanesville C.S.C.
155	LaPorte C.S.C.
156	LaPorte County Auditor
157	Lawrence Early College High School Inc.
158	Lawrence Township - MSD of
159	Lawrenceburg Community Schools
160	Lebanon C.S.C.
161	Liberty Perry C.S.C.
162	Linton Stockton School Corporation
163	Logansport C.S.C.
164	Loogootee C.S.C.
165	Lost River Career Co-op
166	Maconaquah School Corporation
167	Madison C.S.C.
168	Madison Grant United School Corporation
169	Madison Special Services Unit
170	Manchester C.S.C.
171	Marion Adams School Corp. (Sheridan C.S.C.)
172	Marion C.S.C.
173	Martinsville - MSD of
174	Medora C.S.C.
175	Merrillville C.S.C.
176	Michigan City Area School Corporation

	Employer Name
177	Middlebury C.S.C.
178	Milan C.S.C.
179	Mill Creek C.S.C.
180	Mishawaka City School Corporation
181	Mississinewa C.S.C.
182	Mitchell - MSD of
183	Monroe Central School Corporation
184	Monroe County C.S.C.
185	Monroe-Gregg C.S.C.
186	Mooresville C.S.C.
187	Mt. Pleasant Township C.S.C.
188	Mt. Vernon - MSD of
189	Mt. Vernon C.S.C.
190	Muncie C.S.C.
191	Munster City School Corporation
192	Nettle Creek School Corporation
193	New Albany-Floyd County C.S.C.
194	New Castle C.S.C.
195	New Community School (Charter)
196	New Durham Township - LaPorte Co. (Westville)
197	New Harmony Town/Township C.S.C.
198	New Prairie United School Corporation
199	Nineveh Hensley Jackson Union Schools
200	Noblesville School Corporation
201	North Adams School Corporation
202	North Daviess County C.S.C.
203	North East Dubois County School Corporation
204	North East School Corporation
205	North Eastern Wayne School Corporation
206	North Gibson School Corporation
207	North Harrison C.S.C.
208	North Judson San Pierre School Corporation
209	North Knox School Corporation
210	North Lawrence C.S.C.
211	North Miami C.S.C.
212	North Montgomery C.S.C.

	Employer Name
213	North Newton C.S.C.
214	North Posey County - MSD of
215	North Putnam C.S.C.
216	North Spencer School Corporation
217	North Vermillion C.S.C.
218	North White School Corporation
219	Northern C.S.C.
220	Northern Wells C.S.C.
221	Northwest Allen County School Corporation
222	North-West Consolidated School District
223	Northwest Hendricks School Corporation
224	Northwest Indiana Special Education Co-op
225	Northwestern School Corporation
226	Oak Hill United School Corporation
227	Old National Trail
228	Options Charter School - Carmel
229	Options Charter School - Noblesville
230	Oregon-Davis School Corporation
231	Orleans C.S.C.
232	Paoli C.S.C.
233	Penn-Harris Madison School Corporation
234	Perry Central C.S.C.
235	Perry Township - MSD of
236	Peru C.S.C.
237	Pike County School Corporation
238	Pike Township - MSD of
239	Pioneer Regional School Corporation
240	Plainfield C.S.C.
241	Plymouth C.S.C.
242	Portage Township School Corporation
243	Porter Co. Educational Services
244	Porter Township School Corporation
245	Prairie Heights C.S.C.
246	Randolph Central School Corporation
247	Randolph Eastern School Corporation
248	Randolph Southern School Corporation
249	Region 8 Education Service Center
250	Renaissance Academy

	Employer Name
251	Rensselaer Central School Corporation
252	Richland Bean Blossom C.S.C.
253	Richmond C.S.C.
254	Rising Sun-Ohio County C.S.C.
255	River Forest Community
256	Rochester C.S.C.
257	Rockville C.S.C.
258	Rossville Cons. School District
259	Rural Community Academy (Charter)
260	Rush County School Corporation
261	Salem C.S.C.
262	Scott County School District No. 1
263	Scott County School District No. 2
264	Seymour C.S.C.
265	Shakamak - MSD of
266	Shelby Eastern School Corporation
267	Shelbyville Central School Corporation
268	Shenandoah School Corporation
269	Shoals C.S.C.
270	Signature Charter School
271	Smith-Green C.S.C.
272	South Adams School Corporation
273	South Bend C.S.C.
274	South Central C.S.C.
275	South Central Special Education Co-op
276	South Dearborn C.S.C.
277	South East Dubois County School Corporation
278	South Gibson School Corporation
279	South Harrison C.S.C.
280	South Henry School Corporation
281	South Knox School Corporation
282	South Madison C.S.C.
283	South Montgomery C.S.C.
284	South Newton C.S.C.
285	South Putnam C.S.C.
286	South Ripley C.S.C.
287	South Spencer County School Corporation
288	South Vermillion C.S.C.

	Employer Name
289	South West Dubois County School Corporation
290	South West School Corporation
291	Southeastern Career Center
292	Southeastern Fountain School Corporation
293	Southeastern School Corporation
294	Southern Hancock County C.S.C.
295	Southern Neighborhood School of Excellence, Inc. (Charter)
296	Southern Wells C.S.C.
297	Southwest Allen County - MSD of
298	Southwest Parke C.S.C.
299	South-West Shelby Consolidated School District
300	Southwestern Jefferson C.S.C.
301	Special Services - Johnson County Schools
302	Speedway School, Town of
303	Spencer Owen C.S.C.
304	Spring Valley C.S.C.
305	Stueben County - MSD of
306	Sunman Dearborn C.S.C.
307	Switzerland County School Corporation
308	Taylor C.S.C.
309	Tell City Troy Township School Corporation
310	The Project School
311	Thea Bowman Leadership Academy (Charter)
312	Tippecanoe School Corporation
313	Tippecanoe Valley School Corporation
314	Tipton C.S.C.
315	Tri-County School Corporation
316	Tri-Creek School Corporation
317	Triton School Corporation
318	Turkey Run C.S.C.
319	Twin Lakes School Corporation
320	Twin Rivers Vocational School
321	Union County School Corporation
322	Union North United School Corporation
323	Union School Corporation
324	Union Township School Corporation

	Employer Name
325	University of Southern Indiana
326	Valparaiso C.S.C.
327	Veritas Academy (Charter)
328	Vigo County School Corporation
329	Vincennes C.S.C.
330	Vincennes University
331	Wabash City School Corporation
332	Wabash Schools -- MSD of
333	WaNee C.S.C.
334	Warren County - MSD of
335	Warren Township - MSD of
336	Warrick County School Corporation
337	Warsaw C.S.C.
338	Washington C.S.C.
339	Washington Township - MSD of
340	Wawasee C.S.C.
341	Wayne Township - MSD of
342	Wes-Del Community Schools
343	West Central C.S.C./Frankton Lapel
344	West Central Indiana Educational Center
345	West Central School Corporation
346	West Clark C.S.C.
347	West Lafayette C.S.C.
348	West Noble School Corporation
349	West Washington School Corporation
350	Western Boone County C.S.C.
351	Western Howard School Corporation
352	Western Wayne School Corporation
353	Westfield Washington C.S.C.
354	Westview School Corporation
355	White River Valley School Corporation
356	Whiting School, City of
357	Whitko C.S.C.
358	Whitley County C.S.C.
359	Wilson Education Center
360	Zionsville Community Schools