TrustINdiana™

Annual Report

June 30, 2011

(With report of independent auditors within)

Report of Independent Auditors

INDEPENDENT AUDITORS' REPORT

To the Treasurer of the State of Indiana

We have audited the statement of assets, liabilities and joint value of TrustINdiana (A Component Unit of the State of Indiana) as of June 30, 2011, the portfolio of investments as of June 30, 2011, the related statement of operations for the year ended June 30, 2011 and the statements of changes in joint value for the years ended June 30, 2011 and 2010. These financial statements are the responsibility of the Treasurer of the State of Indiana. 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 financial statements referred to above present fairly, in all material respects, the financial position of TrustINdiana as of June 30, 2011, and the results of its operations and changes in joint value for the period then ended and the changes in joint value for the years ended June 30, 2011 and 2010, in conformity with generally accepted accounting principles in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 26, 2011, on our consideration of TrustINdiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. Additional information is presented for purposes of further analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the GASB. Management's Discussion and Analysis has not been included with the basic financial statements.

London Witte Group, LLC

August 26, 2011

Statement of Assets, Liabilities and Joint Value

June 30, 2011

	TrustINdiana	External Participants
Assets		
Investments at amortized cost (market value $819,627,412, $619,615,084)	$819,669,199	$619,646,673
Securities lending collateral	5,103,783	3,858,315
Interest income receivable	135,955	102,778
Total assets	824,908,937	623,607,766
Liabilities and Joint Value		
Payable on return of securities loaned	5,103,783	3,858,315
Management fee payable	72,408	54,738
Distributions payable	4,086	3,089
Other payables	24,500	18,521
Total liabilities	5,204,777	3,934,663
Joint Value	819,704,160	619,673,103
Total liabilities and joint value	$824,908,937	$623,607,766

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

Portfolio of Investments

June 30, 2011

Principal Amount		Value	
Money Market Funds - 0.0%			
$ 372	Goldman Sachs Financial Square Government Fund, FST Shares, 0.00%	$ 372	(a)
Total Money Market Funds (market value $372)		**372**	
U.S. Government Agencies - 11.6%			
Federal Farm Credit Bank			
25,000,000	0.24%, maturity date 06/20/12	25,004,098	
Federal Home Loan Bank			
15,000,000	0.41%, maturity date 04/27/12	15,000,000	
25,000,000	0.33%, maturity date 07/16/12	25,000,000	
Federal Home Loan Mortgage Corp.			
30,000,000	1.75%, maturity date 06/15/12	30,431,216	(b)
Total U.S Government Agencies (market value $95,360,125)		**95,435,314**	
Commercial Paper - 17.1% (c)			
15,000,000	UBS Finance (DE) LLC, 0.54%, maturity date 08/26/11	14,987,360	
20,000,000	Atlantic Asset Securitization, 0.18%, maturity date 09/14/11	19,992,500	
20,000,000	General Electric Capital Corp., 0.26%, maturity date 01/19/12	19,970,820	
15,000,000	Market Street Funding LLC, 0.24%, maturity date 07/13/11	14,998,799	
20,000,000	Rabobank USA Financial Corp., 0.29%, maturity date 10/11/11	19,983,556	
10,000,000	Scaldis Capital LLC, 0.41%, maturity date 11/02/11	9,985,868	
20,000,000	Surrey Funding Corp., 0.15%, maturity date 07/26/11	19,997,916	
20,000,000	Windmill Funding Corp., 0.19%, maturity date 09/14/11	19,992,083	
Total Commercial Paper (market value $139,942,305)		**139,908,902**	
Bank Deposits - 71.3%			
276,350,558	Wells Fargo Bank, 0.40%, due on demand	276,350,558	
100,730,298	Harris Bank, 0.195%, due on demand	100,730,298	
100,550,932	JPMorgan Chase, 0.30%, due on demand	100,550,932	
106,692,822	JPMorgan Chase, 0.38%, due on demand	106,692,823	(d)
Total Bank Deposits (market value $584,324,610)		**584,324,611**	
Total Investments - 100.0% (market value $819,627,412)		**819,669,199**	
Other assets in exess of liabilities - 0.0%		**34,961**	
Joint Value - 100.0%		**$819,704,160**	

(a) Interest rate as of June 30, 2011. Rate is declared daily.
(b) Part of security is on loan as of June 30, 2011.
(c) Rate represents effective yield at June 30, 2011.
(d) Interest rate is reset daily based on JPM floating LIBOR minus 5 bps with a 38 bps floor.
bps -Basis points (100 basis points equals one percentage point).

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

Statement of Operations

For the year ended June 30, 2011

	TrustINdiana	External Participants
Revenues:		
Interest income	$ 2,633,302	$ 1,922,156
Securities lending income	2,441	1,782
Total revenues	2,635,743	1,923,938
Expenses:		
Management fee	720,030	525,580
Securities lending fees	1,510	1,102
Other expenses	246,009	179,572
Total expenses	967,549	706,254
Net investment income	1,668,194	1,217,684
Net increase in joint value from operations	$ 1,668,194	$ 1,217,684

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

Statements of Changes in Joint Value

	For the year ended June 30, 2011		For the year ended June 30, 2010	
	TrustINdiana	**External Participants**	**TrustINdiana**	**External Participants**
Increase in joint value				
Operations:				
Net investment income	$ 1,668,194	$ 1,217,684	$ 2,081,152	$ 1,271,184
Net increase in joint value from operations	1,668,194	1,217,684	2,081,152	1,271,184
Distributions to participants	(1,668,194)	(1,217,684)	(2,065,841)	(1,263,006)
Participants' transactions:				
Contributions	841,357,888	816,357,888	674,238,028	674,238,028
Reinvestment of distributions	1,669,536	1,218,355	2,066,827	1,262,672
Withdrawals	(615,418,159)	(608,031,486)	(634,028,579)	(559,028,579)
Net increase in joint value from participants' transactions	227,609,265	209,544,757	42,276,276	116,472,121
Total increase in joint value	227,609,265	209,544,757	42,291,587	116,480,299
Joint value				
Beginning of year	592,094,895	410,128,346	549,803,308	293,648,047
End of year	$ 819,704,160	$ 619,673,103	$592,094,895	$410,128,346

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

1. Description of TrustINdiana

TrustINdiana (the "Pool") is a local government investment pool created pursuant to IC §5-13-9-11(b) within the office and custody of the Treasurer of the State of Indiana. The purpose of the Pool is to allow local units of government (e.g., counties, municipalities, school corporations, townships, and other units of local government) as well as the State of Indiana to invest in a common pool of investment assets. For purposes of these financial statements, external participants are defined as all investors other than the State of Indiana. The difference between the amounts presented in total and external participants represents the investment by the State of Indiana.

At June 30, 2011 certain Pool participants held a participation interest in the Pool in excess of 10%. Investment activities of these participants could have a material impact on the Pool.

2. Significant Accounting Policies

The following significant accounting policies are consistently followed by the Pool in the preparation of its financial statements. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Valuation of investments

The Pool has elected to use the amortized cost method of valuation consistent with the provisions of a 2a-7 like pool as defined by Statement No. 31 of the Governmental Accounting Standards Board provided that amortized cost approximates the fair value of a security as defined by Accounting Standards Codification ("ASC") 820. This involves valuing a security at its cost initially and thereafter assuming a constant amortization to maturity of any discounts or premium, regardless of the impact of fluctuating interest rates on the market value of the security. This method may result in periods during which value, as determined by amortized cost, is higher or lower than the price the Pool would receive if it sold the security. The fair value of securities in the Pool can be expected to vary inversely with changes in prevailing interest rates. Investments in money market funds are valued at the current day's closing net asset value per share.

In accordance with ASC 820-10, Fair Market Measurements and Disclosures, the various inputs that are used in determining the fair value of the Pool's investments are summarized into the three broad levels listed below.

- Level 1 — quoted prices in active markets for identical securities
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Pool's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For example, money market securities are valued using amortized cost, in accordance with the provisions of Statement No. 31 of the Governmental Accounting Standards Board. Generally, amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, such securities are reflected as Level 2.

The following table summarizes the valuation of the Pool's investments by the fair value hierarchy levels described above as of June 30, 2011, in valuing the Pool's assets carried at amortized cost which approximates fair value:

	Valuation Inputs			
Description	**Total**	**Level 1**	**Level 2**	**Level 3**
Money Market Funds	$ 372	$ 372	$ 0	$0
U.S. Government Agencies	$ 95,435,314	$ 0	$ 95,435,314	$0
Commercial Paper	$139,908,902	$ 0	$139,908,902	$0
Bank Deposits	$584,324,611	$584,324,611	$ 0	$0
Total Investments	$819,669,199	$584,324,983	$235,344,216	$0

The Pool did not invest in any level 3 securities during the year ended June 30, 2011. There were no significant transfers between level 1 and level 2 during the year ended June 30, 2011.

Accounting for investments
Security transactions are accounted for on the trade date. Realized gains and losses on sales of investments are calculated on an identified cost basis. Interest income, including any amortization of discount or premium, is recorded on an accrual basis.

Credit, market and interest rate risks
The Pool is exposed to various types of risks, including market risk, interest rate risk, and credit risk. Market risk is the risk in decline in value of the investments held by the Pool because of a number of reasons, including changes in prevailing market and interest rates, increases in defaults, increases in voluntary prepayments for investments subject to prepayment risk, and widening credit spreads. Interest rate risk is the risk associated with the effects of the fluctuations in the prevailing level of market interest rates. Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Pool attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques.

The Pool limits its investments in any one issuer to the highest rating category issued by one nationally recognized statistical rating organization.

Concentration risk
The Pool is required to be comprised of no less than 50% of deposits in banks from an approved list maintained by the State of Indiana. In addition, the Pool limits its investments in any one issuer to 40% of net assets if the issuer is rated A-1+/P-1 and 25% of net assets if the issuer is rated A-1/P-1.

Income taxes
The Pool is not subject to federal, state or local income taxes, and accordingly, no tax provision has been made. The Pool files tax returns annually. The Pool is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next 12 months. The Pool's federal tax returns for the prior three fiscal years remain subject to examination by the Internal Revenue Service.

Distributions to participants
Net investment income, adjusted for net realized gains or losses, is declared and distributed to participants daily. Such amounts are automatically reinvested the following business day.

Joint value
The joint value of the Pool is its assets less its liabilities. The joint value represents the value of the beneficial interests of the Participants in the Pool.

Securities Lending
The Pool has entered into a securities lending agreement, as authorized by state statute and the policies of the Pool, with Bank of New York Mellon ("BNY Mellon"), its custodian. BNY Mellon may loan the Pool's securities to brokers, dealers and financial institutions determined by them to be creditworthy and approved by the Indiana Treasurer of State. The Pool continues to receive the interest on the loaned securities during the term of the loan. The loans can be terminated on demand by either the Pool or the borrower. The loans of securities are collateralized in the form of cash in an amount at least equal to 102% of the current market value of the loaned securities. The cash collateral is reinvested by BNY Mellon and the net income earned on the reinvestment, less the borrower's rebate and a fee to BNY Mellon, is recorded as additional income to the Pool. As of June 30, 2011, there was one securitiy out on loan as noted in the portfolio of investments.

3. Management

The Indiana Treasurer of State has been designated by statute as the administrator of the Pool and the Deputy Treasurer of State and Portfolio Manager (the "Investment Officer") shall have general oversight over the daily operation of the Pool. The Investment Officer shall also supervise the investment of the funds in the Pool that are not designated to be invested by an investment advisor and shall oversee the functions of such investment advisor, all in accordance with the policies of the Pool and Indiana Law.

The Indiana Treasurer of State has contracted with Cutwater Investor Services Corp. ("CISC") to provide the administration, and certain portfolio management and marketing services for the program not retained by the Treasurer's office. CISC is entitled to a fee payable monthly based on the amortized cost valuation of the portion of the portfolio that it has been contracted to advise (the "CISC portion"). The fee is calculated at an annual rate of 0.12% of the daily value of the CISC portion up to $1,000,000,000; 0.11% on the next $500,000,000; 0.10% on the next $500,000,000; and 0.09% over $2,000,000,000. For the year ended June 30, 2011, CISC earned fees equal to $720,030.

The other administrative expenses of the Pool shall be accounted for by the Treasurer and shall be paid from the earnings of the Pool.

4. Contingencies and Commitments

In the course of business, the Pool enters into contracts that contain representations and warranties and which provide general indemnifications. The Pool's exposure, if any, under these arrangements is unknown, as this would involve future claims that may be made against the Pool that have not yet occurred. To date, no claims have been brought against the Pool for any of these provisions. Based on experience, the Pool expects the risk of liability to be remote.

5. Subsequent Events

Management has evaluated all subsequent transactions and events after the balance sheet date through August 26, 2011, the date on which these financial statements were issued, and except as already included in the notes to these financial statements, has determined that no additional items require disclosure.

Selected Data per Dollar of Joint Value and Ratios

Selected data per dollar of joint value and ratios for the periods presented are as follows:

Data per dollar of joint value[1]:

	For the year ended June 30, 2011	For the year ended June 30, 2010	For the year ended June 30, 2009	For the Period February 1, 2008[2] to June 30, 2008
Net investment income and net realized gain/(loss) on investments	$ 0.002	$ 0.003	$ 0.014	$ 0.011
Distributions to participants	$ (0.002)	$ (0.003)	$ (0.014)	$ (0.011)
Total Return[3]:	0.24%	0.35%	1.39%	1.09%
Ratios/Supplemental data:				
Joint value, end of period (000's)	$819,704	$592,095	$549,819	$443,883
Ratios to average joint value:				
Net investment income[4]	0.24%	0.35%	1.35%	2.58%
Expenses[4]	0.14%	0.14%	0.12%	0.13%

[1] Calculated based upon average joint value during the period.
[2] Commencement of operations.
[3] Total returns for periods less than one year are not annualized.
[4] Annualized for periods less than one year.

See Independent Auditors' Report.

Office of the Indiana Treasurer of State

Richard E. Mourdock
Indiana Treasurer of State

Kelly Mitchell
Director
TrustINdiana

Management

Administrator
Indiana Treasurer of State and
Cutwater Asset Management

Investment Advisor
Indiana Treasurer of State and
Cutwater Asset Management

Custodian
Bank of New York/Mellon

Professional Services

Independent Auditors
London Witte Group, LLC

TrustINdiana

Managed by: CUTWATER ASSET MANAGEMENT

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