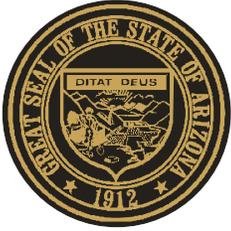


OFFICE OF THE
ARIZONA STATE TREASURER



Doug Ducey
TREASURER



APRIL 2012

Presented To:

Arizona State Board of Investment

MAY 22, 2012

STATE BOARD OF INVESTMENT

A G E N D A

May 22, 2012

1. Call to Order
2. Chairman Remarks
3. Approval of Minutes
4. Review of Treasurer's Monthly Reports
 - A. Earnings Distribution; Investment Pools
 - B. LGIP Pools Investments and Performance Reports
 - C. State Agency Pools Investments and Performance Reports
 - D. Operating Monies Invested Balances
 - E. Earnings Distributed Endowment Funds
 - F. Endowment Investments and Performance Reports
5. Proposed Changes to the Investment Policy
 - A. Review of Proposed Changes
 - B. Public Comment on Proposed Changes
 - C. Discussion and Action on Proposed Changes
6. Review and Approval of Proposed/Pending Securities Dealers
7. General Business
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

May 22, 2012

TABLE OF CONTENTS

	<u>Page</u>
Minutes of Board of Investment Meeting	ii-viii
Review of Treasurer’s Monthly Reports:	
A. Earnings Distribution; Investment Pools	1
B. LGIP Pools Investments and Performance Reports	2-8
C. State Agency Pools Investments and Performance Reports	9-16
D. Operating Monies Invested Balances	17
E. Earnings Distributed Endowment Funds	18
F. Endowment Investments and Performance Reports	19-40

**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on April 24, 2012 in the Office of the State Treasurer, 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona. Treasurer Ducey, called the meeting to order at approximately 1:31 p.m.

Members Present:

Doug Ducey, Chair, State Treasurer
Lauren Kingry, Superintendent, Department of Financial Institutions
Scott Smith, Director of Arizona Department of Administration - *Arrived at 1:35 pm*
Beth Ford, Treasurer, Pima County, by teleconference
Harry A. Papp, CFA and Managing Partner, L. Roy Papp & Associate

Members Absent:

None

Others Present:

Mark Swenson, Deputy Treasurer, Arizona State Treasurer's Office
Carlton Woodruff, Deputy Treasurer of Operations, Arizona State Treasurer's Office
Patty Humbert, Senior Portfolio Manager, Arizona State Treasurer's Office
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office
Kevin Donnellan, Director of Communications, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Shazad Malik, Endowment Investment Accountant, Arizona State Treasurer's Office
Sheila Asher, VP, Relationship Manager, JP Morgan
Joel Damon, Client Advisor, JP Morgan
Steve Weddle, Exec. Director, Global Real Assets, Infrastructure Investments, JP Morgan
Tom Leventhorpe, Exec. Dir., Client Port. Mgr., Global Emerging Markets, JP Morgan
Patricia Foster, Sr. V.P., Governing Bank Group, JP Morgan

Pursuant to A.R.S. 35-311, the following reports for March, 2012 were submitted for the Board's approval:

Review of Treasurer's Monthly Reports:

Earnings Distribution; Investment Pools
LGIP Pools Investments and Performance Reports
State Agency Pools Investments and Performance Reports
Operating Monies Invested Balances
Earnings Distributed Endowment Funds
Endowment Investments and Performance Reports
Broker Activity Report

1. Call to Order:

Treasurer Ducey called the April 24, 2012 BOI meeting to order at approximately 1:31 pm.

2. Treasurers Comments:

Treasurer Ducey had no Treasurer's Comments and moved onto the Approval of Minutes.

3. Approval of Minutes:

Mr. Papp made a motion to approve the March 27, 2012 minutes. Mr. Kingry seconded the motion. Motion carried.

Let the record reflect there was an error in the spelling of Mr. Kingry's last name in the March, 27, 2012 meeting minutes, Item 10, Adjournment.

4. Review of Treasurer's Monthly Report

Earnings Distribution – Investment Pools

Mr. Petkiewicz reported the earnings distributed month-to-date, year-to-date, prior year-to-date, and investment management fees deposited in the General Fund for the month of March, 2012.

Review of Treasurer's Monthly Report – LGIP Investment Pools:

Mr. Petkiewicz presented the monthly report for the LGIP Investment Pools portion of the Arizona State Treasurer's Office to the Board of Investment as follows:

LGIP (Pool 5) & LGIP GOV (Pool 7) Portfolio Yield Analysis

Mr. Petkiewicz reported the net yields for the LGIP and LGIP-Gov Pools, as well as the comparisons to their relative benchmarks for the month of March, 2012.

Pool 500 & Pool 700 Portfolio Yield Analysis

Mr. Petkiewicz reported the net yield for the LGIP Medium Term Pools and the comparison to the benchmark for the month of March, 2012.

Manager Allocation of Invested Monies for the LGIP Pools

Mr. Petkiewicz reported the total market value invested in all of the LGIP Pools as a percentage of the total that was allocated to each of the LGIP, LGIP-Gov, and LGIP Medium Term Pools as of March 31, 2012.

LGIP Pools Investments and Performance Reports

Mr. Petkiewicz reported the total net assets, the weighted average life, the weighted average rating, and the total number of holdings on the LGIP, LGIP-Gov, and LGIP Medium Term pools for the month of March, 2012.

Review of Treasurer's Monthly Report – Agency Pools:

Ms. Humbert presented the monthly report for the Agency Pools portion of the Arizona State Treasurer's Office to the Board of Investment as follows:

State Agency Pools Portfolio Yield Analysis

Ms. Humbert reported the net yields for the State Agency Pools for the month of March, 2012.

Manager Allocation of Invested Monies for the State Agency Pools

Ms. Humbert reported the total market value of all of the State Agency Pools broken up to show the percent allocated to each individual State Agency Pool as of March 31, 2012.

Investments Outstanding in State Agency Pools

Ms. Humbert reported the total net assets, the weighted average life, the weighted average duration, the weighted average rating, and the total number of holdings for the State Agency Investment Pools as of March 31, 2012.

Operating Monies Average Invested Balance

Ms. Humbert reported the Operating Monies average invested balance for the month of March, 2012.

Review of Treasurer's Monthly Report – Endowments:

Mr. White presented the endowment portion of the monthly report of the Arizona State Treasurer's Office to the Board of Investment as follows:

Earnings Distributed Endowment Funds

Mr. White reported the earnings distributed for the Endowment Funds for the month of March, 2012.

Endowment Funds Yield Analysis

Mr. White reported the net yield of the Endowment Fund Fixed Income Pool for the month of March, 2012.

Net Realized Capital Gains/Losses – Endowment Funds

Mr. White reported the net realized capital gains for the Endowment Fixed Income, S&P 500, S&P 400 and S&P 600 pools for the month of March, 2012 and FY12 fiscal year to date.

Endowment Funds Fixed-Income Pool Purchases & Sales

Mr. White reported the purchases and sales of the Endowment Fixed Income Pool for the month of March, 2012.

Equity Funds Purchases & Sales

Mr. White reported the purchases and sales (summary) of the Endowment Equity Pools for the month of March, 2012.

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of March 31, 2012.

Performance of Investments in Endowment Funds

Mr. White reported the performance of the Endowment Funds for the current month, the year to date, trailing one year, trailing three years, trailing five years, and since inception for the Endowment Funds as of March 31, 2012.

Manager Allocation of Invested Monies for the Endowment Pools

Mr. White reported the percentage of the total market value of all of the Endowment investments allocated to each of the Endowment Pools, as of March 31, 2012.

Equity Holdings Investments Outstanding S&P 500

Mr. White reported the investments outstanding by portfolio characteristics and industry sector for the S&P 500 Pool as of March 31, 2012.

Equity Holdings Investments Outstanding S&P 400

Mr. White reported the investments outstanding by portfolio characteristics and industry sector for the S&P 400 Pool as of March 31, 2012.

Equity Holdings Investments Outstanding S&P 600

Mr. White reported the investments outstanding by portfolio characteristics and industry sector for the S&P 600 Pool as of March 31, 2012.

Fixed Income Investments and Performance Reports

Mr. White reported the total net assets, the weighted average life, the weighted average duration, the weighted average yield to maturity, the weighted average rating, and the total number of holdings for the Fixed Income Pool for the month of March, 2012.

Endowment Investments and Performance Growth by Account Reports

Mr. White reported the performance and growth for each of the Endowment Funds from the inception date of each fund through the end of March, 2012.

Approval of Treasurer's Report

Mr. Smith made a motion to approve the Treasurer's Report. Mr. Papp seconded the motion. Motion carried.

5. Proposed Changes to Investment Policy:

No proposed changes.

6. Review and approval of Proposed/Pending Securities Dealers:

There were no Securities Dealers to be approved.

7. General Business:

A. Review and Approval of External Management Award (RFP #11-04)

Deputy Treasurer, Mark Swenson provided a brief overview on the recommendation of US Bancorp Asset Management, for the board's approval. Mr. Papp inquired whether there was a fee associated; Mr. Swenson stated that there were no fees.

Mr. Papp made a motion to approve the External Management Contract Award to US Bancorp Asset Management. Mr. Kingry seconded the motion. Motion carried.

B. Asset Allocation Implementation Plan Update

Deputy Treasurer, Mark Swenson briefed the Board on the staff's progress to date as well as where we are on the proposal ballot measure to change the distribution formula. Mr. Swenson stated that the HCR 2056 Ballot Measure was passed by the State Senate with a 28-0 vote, moving to the House for final concurrence and approval before going to the Ballot. After Mr. Swenson's briefing, Mr. Kingry made an inquiry regarding the term Frontier. Mr. Kingry was curious if the term Frontier was also considered the same term as Pre-Emerging. Mr. Swenson provided a brief description and confirmed that both terms are considered the same.

Mr. Kingry also inquired in what circumstance you would turn back to the internal management to manage the new asset classes. Mr. Swenson explained that with International Equities there are complexities with the purchases and the tracking of paperwork, primarily with the tax reclamations that occur. In summary, Mr. Swenson stated that this option would require further research, timing and staff resources.

In closing, Treasurer Ducey asked that Mr. Swenson meet offline with Mr. Papp and Steve McCourt from Meketa to discuss Policy U-1 and possible changes to the Policy in terms of timing and transition from domestic equities given current market environments. Treasurer Ducey stated that overall, this is a major shift in assets and it is prudent to have further discussions prior to implementation.

8. Call to the Public

There was no public comment.

9. Notice of Next Meeting:

Mr. Ducey advised the Board that the next regular meeting of the Board of Investment will be Tuesday, May 22, 2012 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

Mr. Kingry made a motion to adjourn the BOI meeting. Mr. Smith seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 2:10 p.m.

Respectfully Submitted by:

Barbara Conley
Executive Consultant II

Approved by:

Doug Ducey, Chair

Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
APRIL 2012

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	APRIL 2012	Fiscal YTD 11/12	Fiscal YTD 10/11	
General Fund	\$1,405,773	\$8,953,161	\$4,940,273	
2 State Agencies I - Full Faith & Credit	673,273	6,172,048	5,920,445	467,422
3 State Agencies II - Diversified	833,283	8,567,824	6,580,631	959,445
4 State Agencies IV - Restricted Diversified	545,812	3,876,910	2,619,419	358,092
5 LGIP	250,441	2,180,403	2,808,187	726,441
7 LGIP Gov	120,554	897,862	1,945,766	799,648
12 CAWCD Medium-Term	503,366	5,226,837	3,423,495	138,080
15 GADA Long-Term	20,749	253,031	256,135	6,064
16 ECDH Medium-Term	300,683	654,408	0	27,221
Subtotal	\$4,653,933	\$36,782,486	\$28,494,350	\$3,482,414
NAV POOL				
500 LGIP - Med Term	281,841	2,735,055	2,342,738	108,360
700 LGIP - FF&C Med Term	143,413	1,119,953	1,164,542	71,056
Total	\$5,079,187	\$40,637,494	\$32,001,631	\$3,661,829
APRIL 2011 TOTALS	\$3,341,431			\$3,551,534

**LGIP & LGIP- GOV
 PORTFOLIO YIELD ANALYSIS
 APRIL 30, 2012**

NET EARNINGS

FUND	DESCRIPTION	Current Month 04/30/12	Prior Month 03/31/12	Prior Year 4/30/11	Net Asset Value Per Share
5	LGIP	254,239	263,061	238,994	1.0000
7	LGIP - GOV	122,327	135,134	89,890	1.0000
	TOTAL LGIP & LGIP-GOV	376,566	398,195	328,884	

YIELDS

<u>MONTHLY</u>		Current Month 04/30/12	Prior Month 03/31/12	Prior Year 4/30/11
5	LGIP (NET)	0.21%	0.21%	0.20%
	S & P LGIP INDEX	0.10%	0.10%	0.11%
7	LGIP - GOV (NET)	0.10%	0.10%	0.06%
	3 MONTH T-BILL	0.08%	0.08%	0.05%
<u>YEAR TO DATE</u>				
5	LGIP (NET)	0.18%	0.18%	0.21%
	S & P LGIP INDEX	0.08%	0.08%	0.15%
7	LGIP - GOV (NET)	0.07%	0.07%	0.12%
	3 MONTH T-BILL	0.03%	0.03%	0.12%

* Note: The LGIP-GOV Pool consists of only securities explicitly backed by the full faith & credit of the US Government.

**LGIP & LGIP- GOV MEDIUM TERM POOLS
PORTFOLIO YIELD ANALYSIS
APRIL 30, 2012**

NET EARNINGS

FUND	DESCRIPTION	Current Month 04/30/12	Prior Month 03/31/12	Prior Year 4/30/11	Net Asset Value Per Share
500	LGIP - MED TERM POOL	309,597	314,138	297,540	1.0421
700	LGIP - FF&C MED TERM POOL	164,036	158,404	131,390	1.0152
	TOTAL LGIP MEDIUM TERM POOLS	473,633	472,542	428,930	

YIELDS

MONTHLY

	Current Month 04/30/12	Prior Month 03/31/12	Prior Year 4/30/11
500 LGIP - MED TERM (NET)	1.71%	1.69%	1.72%
MERRILL 1-5 US D M INDEX	1.27%	1.44%	1.78%
700 LGIP - FF&C MED TERM (NET)	1.25%	1.19%	1.47%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.75%	0.93%	1.55%

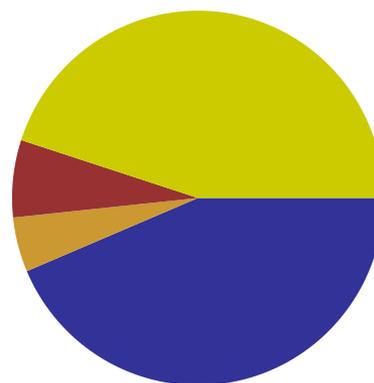
YEAR TO DATE

500 LGIP - MED TERM (NET)	1.74%	1.74%	1.80%
MERRILL 1-5 US D M INDEX	1.45%	1.47%	1.69%
700 LGIP - FF&C MED TERM (NET)	1.12%	1.11%	1.22%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.86%	0.87%	1.34%

Manager Allocation - Daily Arizona State Treasury (05509) As of April 30, 2012

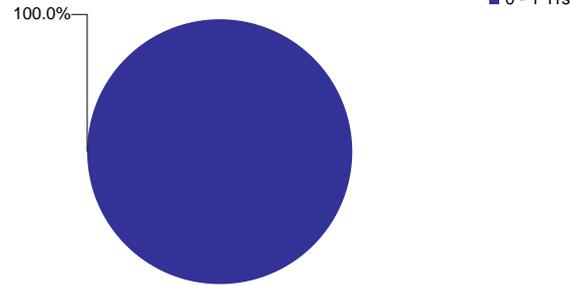
LGIP composite (00550903)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,520.49	43.6%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	1,570.72	45.1%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	229.68	6.6%
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	162.97	4.7%
TOTAL	3,483.86	100.0%

- State of Arizona - Pool 5 (LGIP) (10327300)
- State of Arizona - Pool 7 (LGIP - FF&C) (10327400)
- State of Arizona - Pool 500 (LGIP - Med Term) (10327700)
- State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)

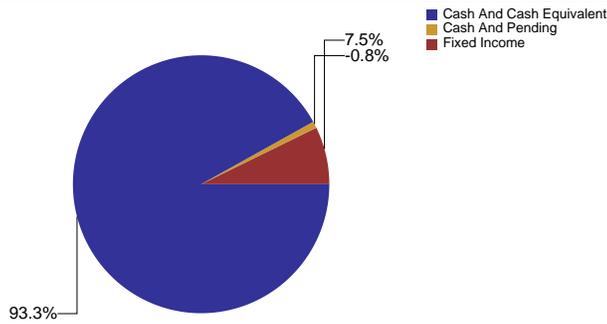


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,520.5
Weighted Average Life (Years) 0.06
Weighted Avg. Effective Duration (Years) 0.04
Weighted Average Maturity (Years) 0.05
Weighted Average Rating AA+
Number of Holdings 68

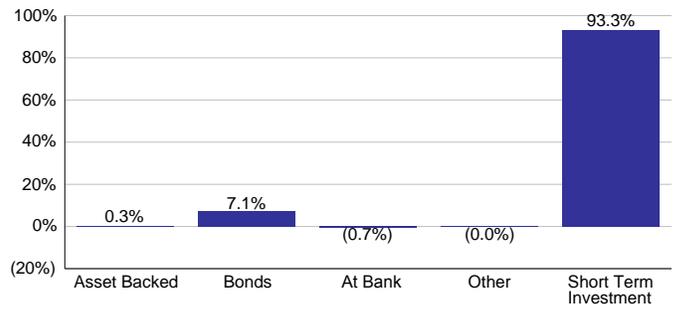
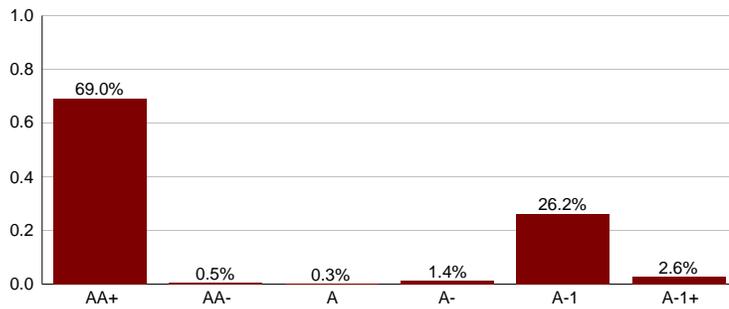


Asset Mix TopTen Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 1/MAY/2012	16.42%	0.30	1/5/2012
852990G46	TRI-PARTY REPO SOUTH STREET 0.20% 07/MAY/2012	16.32%	0.20	7/5/2012
46999W022	TRI-PARTY REPO JP MORGAN REPO SWEEP 0.20%	6.54%	0.20	1/5/2012
38199AU55	TRI-PARTY REPO GOLDMAN SACHS 0.20% 01/MAY/2012	6.53%	0.00	1/5/2012
852990H11	TRI-PARTY REPO SOUTH STREET 0.23% 01/MAY/2012	6.23%	0.23	1/5/2012
852990E63	TRI-PARTY REPO SOUTH STREET 0.22% 04/MAY/2012	5.88%	0.22	4/5/2012
315997031	FIDELITY INVESTMENTS - PRIME MONEY MARKET	4.12%	0.00	1/6/2012
52468JE26	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	1.63%	0.00	2/5/2012
36967HBA4	GENL ELEC CAP CORP FDIC TLGP GTD SR NT FLT 12	1.31%	0.47	21/9/2012
31398A3X8	FANNIE MAE VAR 13/SEP/2012	1.31%	0.39	13/9/2012

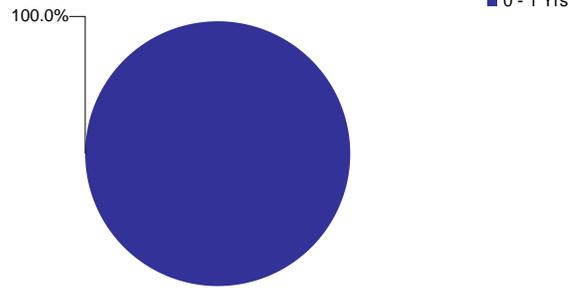
Quality/Rating Weightings Sector Weightings (as % of Market Value)



Portfolio Characteristics

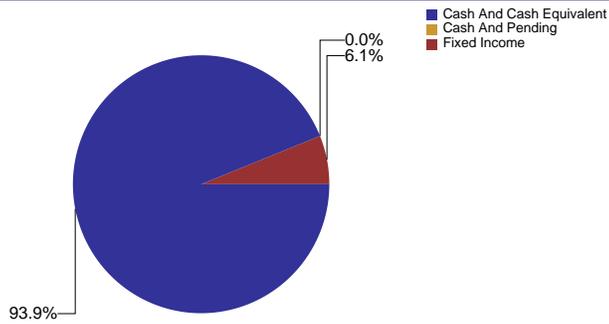
Duration Mix

Total Net Assets (Millions) **1,570.7**
 Weighted Average Life (Years) **0.05**
 Weighted Avg. Effective Duration (Years) **0.04**
 Weighted Average Maturity (Years) **0.05**
 Weighted Average Rating **AA+**
 Number of Holdings **21**



Asset Mix

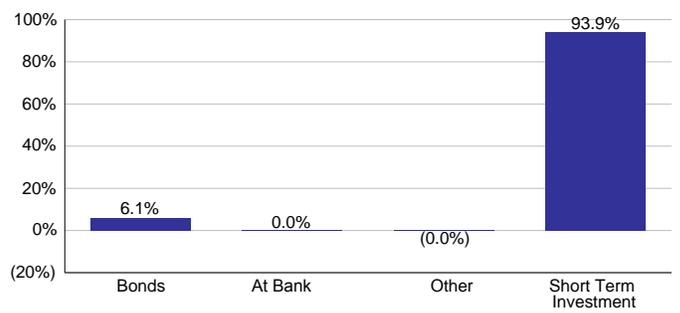
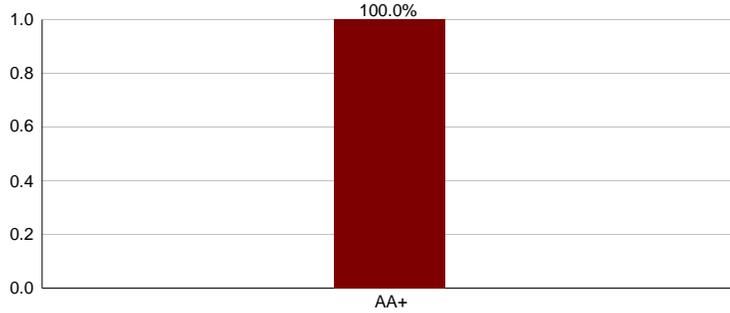
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599Y584	TRI-PARTY REPO NOMURA 0.21% 01/MAY/2012	31.83%	0.21	1/5/2012
60699L103	TRI-PARTY REPO MIZUHO 0.14% 07/MAY/2012	25.47%	0.14	7/5/2012
5199U3923	TRI-PARTY REPO DEUTSCHE 0.19% 01/MAY/2012	19.10%	0.19	1/5/2012
9127954B4	UNITED STATES TREAS BILLS DT	6.37%	0.00	26/7/2012
315997023	FIDELITY INVESTMENTS - TREASURY PORTFOLIO SHARES	3.18%	0.00	1/6/2012
9127955X5	UNITED STATES TREAS BILLS DT	3.18%	0.00	19/7/2012
975709D	ALLIANCE BANK OF ARIZONA REPO SWEEP 0.226%	1.91%	0.23	1/6/2012
36967HBA4	GENL ELEC CAP CORP FDIC TLGP GTD SR NT FLT 12	1.59%	0.47	21/9/2012
9127955W7	UNITED STATES TREAS BILLS DT	1.59%	0.00	12/7/2012
481247AN4	JPMORGAN CHASE & CO 0.53938% BDS 26/DEC/2012	1.06%	0.72	26/12/2012

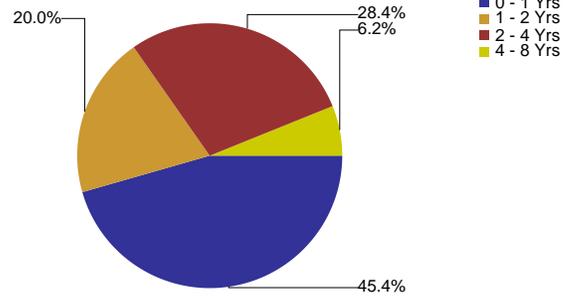
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

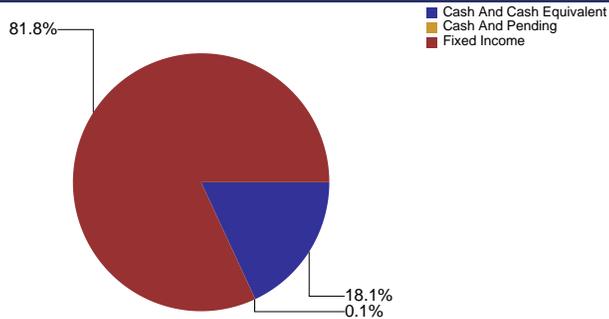


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 229.7
Weighted Average Life (Years) 1.84
Weighted Avg. Effective Duration (Years) 1.44
Weighted Average Rating AA
Number of Holdings 189

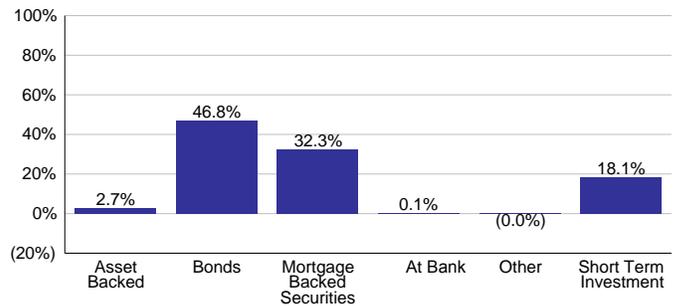
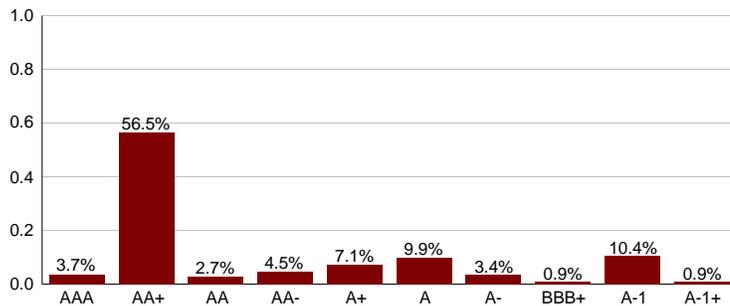


Asset Mix Top Ten Portfolio Holdings



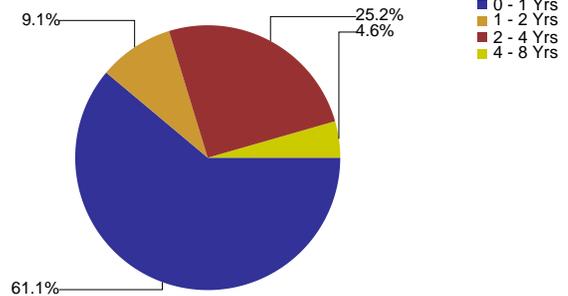
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
852990H11	TRI-PARTY REPO SOUTH STREET 0.23% 01/MAY/2012	6.97%	0.23	1/5/2012
3138A5CF7	FNMA MORTPASS 4% 01/FEB/2026 CI PN# AH3669	2.89%	4.00	1/2/2026
31416XE97	FNMA MORTPASS 4% 01/DEC/2040 CL PN# AB1959	2.29%	4.00	1/12/2040
31417AXK0	FNMA MORTPASS 3% 01/JAN/2027 CI PN# AB4281	2.23%	3.00	1/1/2027
3128MMN33	FHLMCGLD MORTPASS 3% 01/NOV/2026 G1 PN# G18409	2.21%	3.00	1/11/2026
36967HBA4	GENL ELEC CAP CORP FDIC TLGP GTD SR NT FLT 12	2.18%	0.47	21/9/2012
312936EV5	FHLMCGLD MORTPASS 4% 01/OCT/2039 A8 PN# A89148	2.16%	4.00	1/10/2039
3138ALNT0	FNMA MORTPASS 4% 01/SEP/2041 CL PN# AI6701	2.12%	4.00	1/9/2041
31419CZL0	FNMA MORTPASS 4.5% 01/SEP/2040 CL PN# AE2546	1.72%	4.50	1/9/2040
3128PR3M9	FHLMCGLD MORTPASS 4% 01/JUL/2025 J1 PN# J12604	1.68%	4.00	1/7/2025

Quality/Rating Weightings Sector Weightings (as % of Market Value)

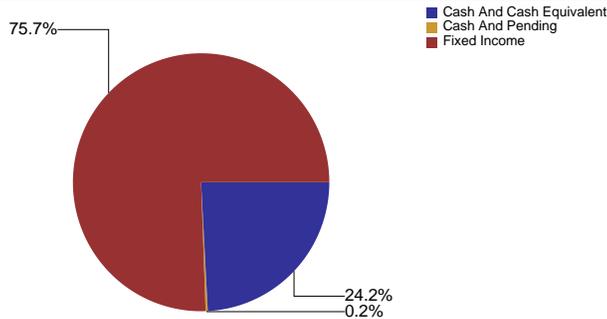


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 163.0
Weighted Average Life (Years) 1.61
Weighted Avg. Effective Duration (Years) 1.17
Weighted Average Rating AA+
Number of Holdings 77

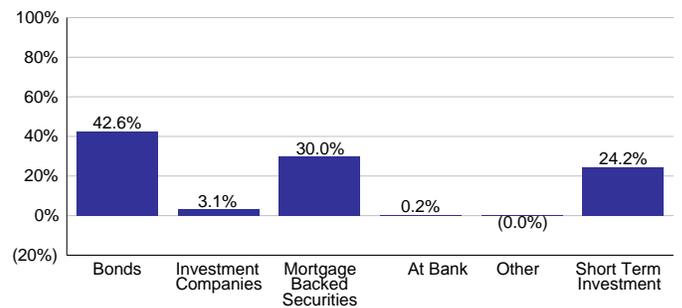
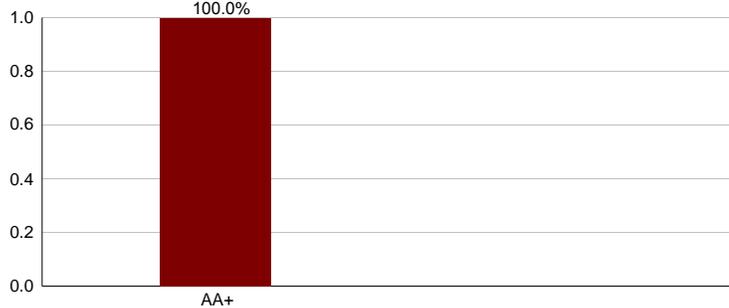


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
60699L137	TRI-PARTY REPO MIZUHO 0.18% 01/MAY/2012	17.82%	0.18	1/5/2012
69351CAC7	PNC FUNDING CORP 2.3% BDS 22/JUN/2012 USD2000	7.62%	2.30	22/6/2012
938554N	FDIC US BANK CDARS ACCOUNT 0.23% 01/JUN/2012	4.64%	0.23	1/6/2012
36230M3Y1	GNMA I MORTPASS 4% 15/NOV/2040 SF PN# 753515	3.56%	4.00	15/11/2040
36176S4T4	GNMA I MORTPASS 4% 15/SEP/2041 SF PN# 775134	3.32%	4.00	15/9/2041
36967HAY3	GENERAL ELECTRIC CAPITAL CORP 2.625% BDS	3.15%	2.62	28/12/2012
17313YAN1	CITIGROUP FUNDING INC 1.875% 15/NOV/2012	3.13%	1.88	15/11/2012
3620C4U57	GNMA I MORTPASS 4.5% 15/SEP/2040 SF PN# 748604	3.12%	4.50	15/9/2040
464287457	ISHARES BARCLAYS 1-3 YRS TREASURY BOND FUND	3.08%		31/12/2049
36202E7F0	GNMA II MORTPASS 4% 20/JUL/2039 SF PN# 004494	2.84%	4.00	20/7/2039

Quality/Rating Weightings Sector Weightings (as % of Market Value)



**STATE AGENCY POOLS
 PORTFOLIO YIELD ANALYSIS
 APRIL 30, 2012**

NET EARNINGS

FUND	DESCRIPTION	Current Month 04/30/12	Prior Month 03/31/12	Prior Year 4/30/11	Net Asset Value Per Share
2	STATE AGENCIES I - FULL FAITH & CREDIT	791,566	837,063	837,843	1.0078
3	STATE AGENCIES II - DIVERSIFIED	2,009,584	2,029,536	959,732	1.0040
4	STATE AGENCIES IV-RESTRICTED DIVERSIFIED	603,039	570,238	307,216	1.0028
12	CAWCD MEDIUM-TERM	503,366	554,595	453,145	1.0239
15	GADA LONG-TERM	20,749	22,130	25,681	1.0214
16	ECDH MEDIUM-TERM	300,683	226,687	NA	1.0014
TOTAL STATE AGENCIES		4,228,987	4,240,249	2,583,617	

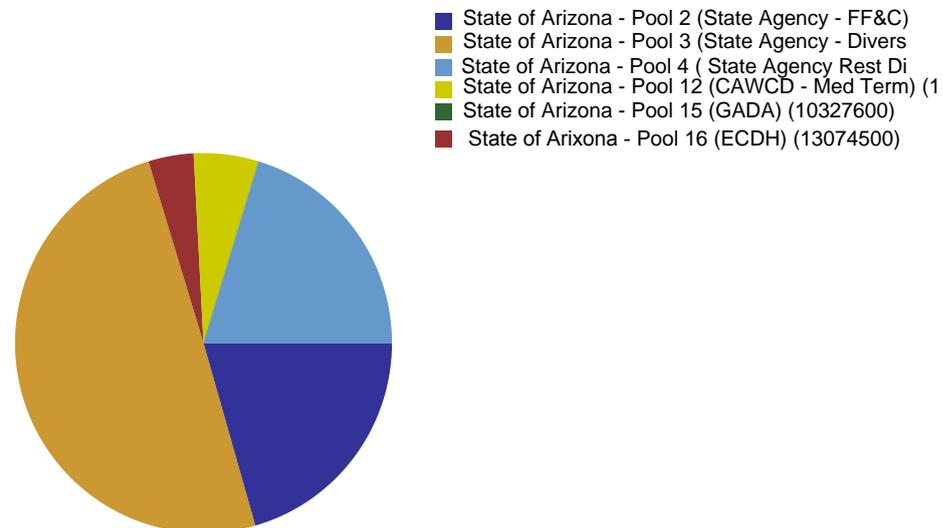
YIELDS

MONTHLY

	Current Month 04/30/12	Prior Month 03/31/12	Prior Year 4/30/11
2 STATE AGENCIES I - FULL FAITH & CREDIT	1.11%	1.13%	1.00%
75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.55%	0.65%	0.98%
3 STATE AGENCIES II - DIVERSIFIED	1.02%	1.10%	0.65%
50% 3 MONTH LIBOR INDEX / 50% MERRILL 1 -3 US BROAD MARKET INDEX	0.73%	0.79%	0.62%
4 STATE AGENCIES IV-RESTRICTED DIVERSIFIED	0.90%	0.87%	0.56%
50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.23%	0.26%	0.35%
12 CAWCD MEDIUM-TERM	2.21%	2.33%	2.10%
BARCLAYS CAPITAL US AGG. BOND INDEX	2.07%	2.22%	2.89%
15 GADA LONG-TERM	2.09%	2.15%	2.58%
MERRILL 3-5 US BROAD MARKET EX CORP	1.52%	1.77%	2.58%
16 ECDH MEDIUM-TERM	1.83%	1.78%	NA
BARCLAYS CAPITAL US AGG. BOND INDEX	2.07%	2.22%	NA

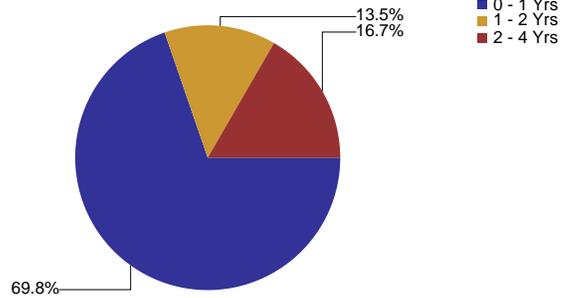
Manager Allocation - Daily Arizona State Treasury (05509) As of April 30, 2012

Pool Composite (00550904)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 2 (State Agency - FF&C) (13070000)	1,058.91	20.7%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	2,536.12	49.5%
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	1,033.03	20.2%
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	284.26	5.5%
State of Arizona - Pool 15 (GADA) (10327600)	12.37	0.2%
State of Arizona - Pool 16 (ECDH) (13074500)	200.64	3.9%
TOTAL	5,125.32	100.0%

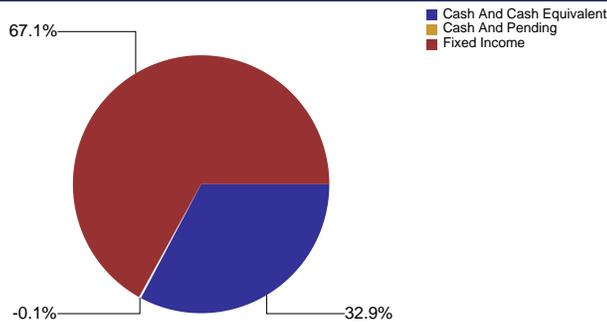


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) **1,058.9**
 Weighted Average Life (Years) **0.94**
 Weighted Avg. Effective Duration (Years) **0.79**
 Weighted Average Rating **AA+**
 Number of Holdings **94**

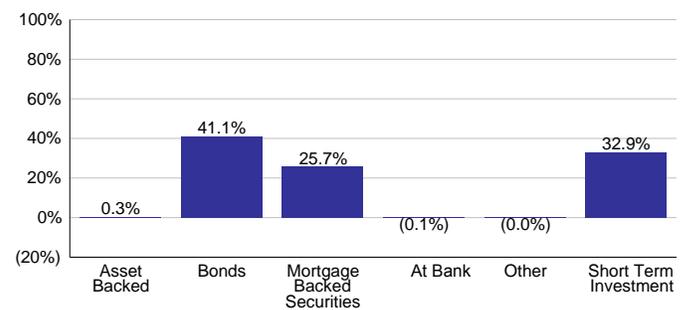
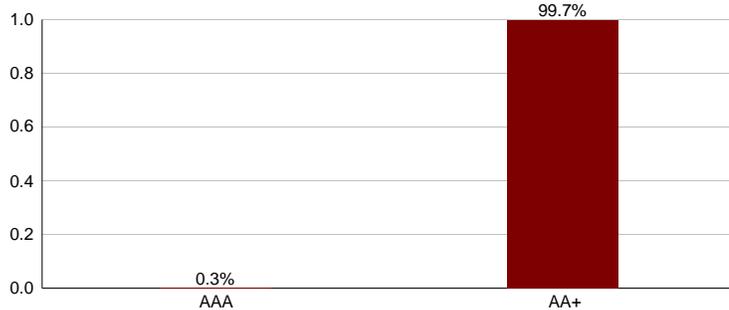


Asset Mix Top Ten Portfolio Holdings



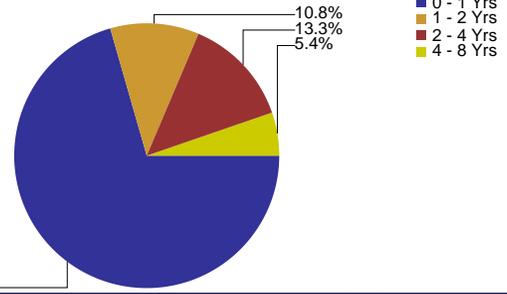
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
05999AH44	TRI-PARTY REPO BANK OF AMERICA 0.17% 01/MAY/2012	18.88%	0.17	1/5/2012
60699L137	TRI-PARTY REPO MIZUHO 0.18% 01/MAY/2012	14.04%	0.18	1/5/2012
912828PD6	UNITED STATES TREAS NTS 0.375% 31/OCT/2012	3.78%	0.38	31/10/2012
62889KAA9	NCUA GTD NTS MASTER TRUST 0% BDS 12/JUN/2013	3.77%	0.26	12/6/2013
912828NE6	UNITED STATES TREAS NTS 0.750% 31/MAY/2012	2.84%	0.75	31/5/2012
912828AJ9	USA TREASURY NTS 4.375% NT 15/AUG/2012 USD1000	1.93%	4.38	15/8/2012
38146FAA9	GOLDMAN SACHS GROUP INC 3.25% BDS 15/JUN/2012	1.92%	3.25	15/6/2012
912828NN6	UNITED STATES TREAS NTS 1.000% 15/JUL/2013	1.91%	1.00	15/7/2013
912828KP4	UNITED STATES TREAS NTS 1.375% 15/MAY/2012	1.90%	1.38	15/5/2012
912828LM0	USA TREASURY NTS 1.3750% NT 15/SEP/2012 USD1000	1.90%	1.38	15/9/2012

Quality/Rating Weightings Sector Weightings (as % of Market Value)

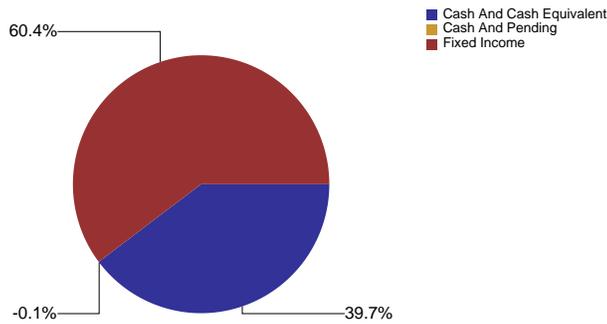


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 2,536.1
Weighted Average Life (Years) 1.57
Weighted Avg. Effective Duration (Years) 0.87
Weighted Average Rating AA
Number of Holdings 185

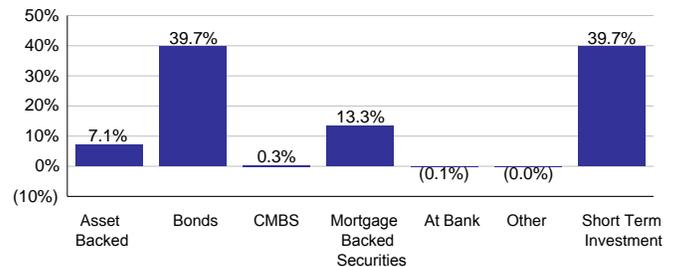
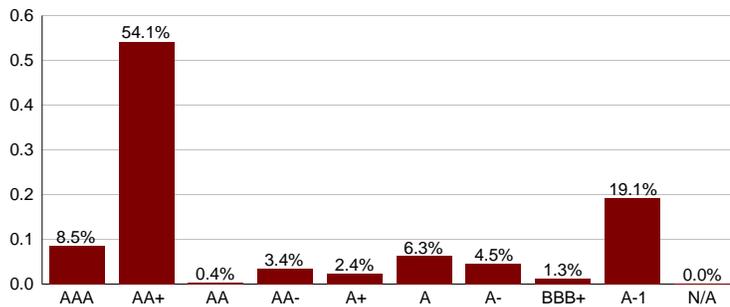


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
852990H03	TRI-PARTY REPO SOUTH STREET 0.22% 01/MAY/2012	6.89%	0.22	1/5/2012
852990D98	TRI-PARTY REPO SOUTH STREET 0.24% 01/MAY/2012	3.94%	0.24	1/5/2012
852990G79	TRI-PARTY REPO SOUTH STREET 0.19% 01/MAY/2012	3.15%	0.19	1/5/2012
315997015	FIDELITY INVESTMENTS - MONEY MARKET PORTFOLIO	1.97%	0.00	1/6/2012
852990F13	TRI-PARTY REPO SOUTH STREET 0.20% 01/MAY/2012	1.97%	0.20	1/5/2012
62455AE11	MOUNTCLIFF CORPORATE COMMERCIAL PAPER DISCOUNT DTD	1.97%	0.00	1/5/2012
38362VE17	GOVCO, LLC. CORPORATE COMMERCIAL PAPER DISCOUNT	1.97%	0.00	1/5/2012
92646KE32	VICTORY RECEIVABLES CORPORATE COMMERCIAL PAPER	1.97%	0.00	3/5/2012
2284K0F42	CROWN POINT CAP CO. CORPORATE COMMERCIAL PAPER	1.97%	0.00	4/6/2012
52468JH23	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	1.97%	0.00	2/8/2012

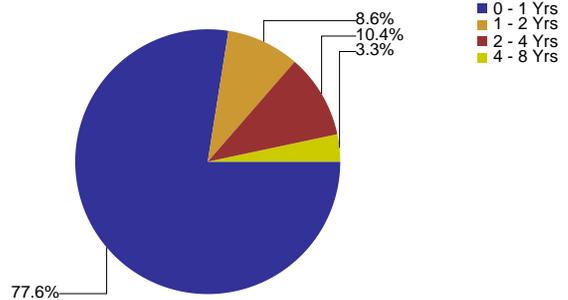
Quality/Rating Weightings Sector Weightings (as % of Market Value)



Portfolio Characteristics

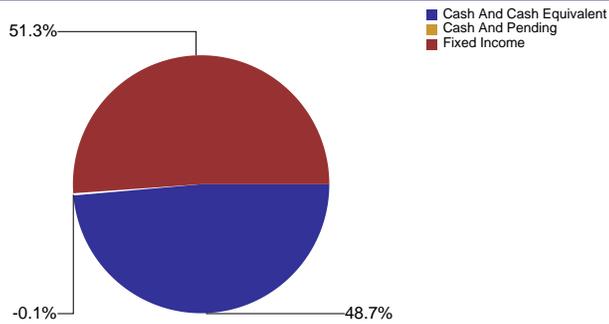
Duration Mix

Total Net Assets (Millions) **1,033.0**
 Weighted Average Life (Years) **1.19**
 Weighted Avg. Effective Duration (Years) **0.67**
 Weighted Average Rating **AA+**
 Number of Holdings **86**



Asset Mix

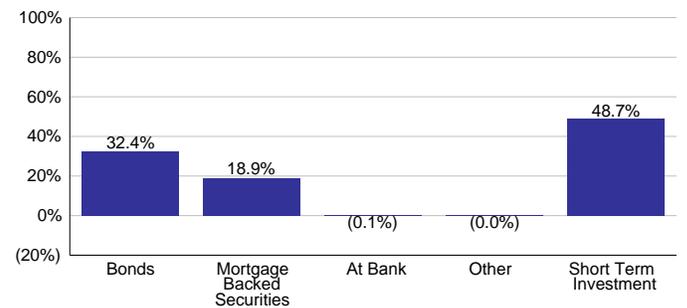
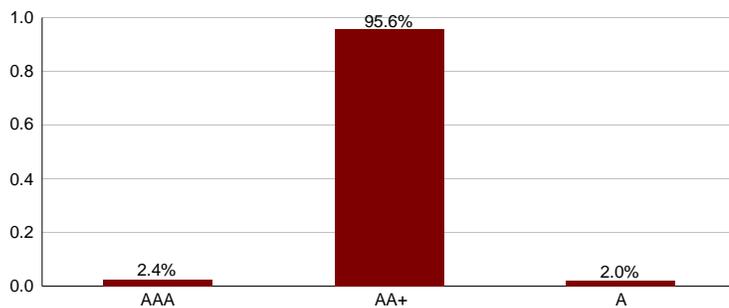
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
852990H29	TRI-PARTY REPO SOUTH STREET 0.24% 01/MAY/2012	13.06%	0.24	1/5/2012
852990H11	TRI-PARTY REPO SOUTH STREET 0.23% 01/MAY/2012	12.22%	0.23	1/5/2012
852990F13	TRI-PARTY REPO SOUTH STREET 0.20% 01/MAY/2012	7.74%	0.20	1/5/2012
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 1/MAY/2012	5.35%	0.30	1/5/2012
446436AB3	HUNTINGTON NATIONAL BANK FRN 01/JUN/2012 USD1000	2.42%	0.76	1/6/2012
313374TP5	FEDERAL HOME LOAN BANKS CONS BD 0.25% 18/JUL/2012	2.42%	0.25	18/7/2012
313384WG0	FEDL HOME LOAN BK CONS DISC NT MATURES 01/MAY/2012	2.42%	0.00	1/5/2012
313396H97	FEDL HOME LLN MTG CORP DISC NT MATURES 01/OCT/2012	2.42%	0.00	1/10/2012
31359MNU3	FANNIE MAE 5.25% 01/AUG/2012	1.98%	5.25	1/8/2012
60699L137	TRI-PARTY REPO MIZUHO 0.18% 01/MAY/2012	1.93%	0.18	1/5/2012

Quality/Rating Weightings

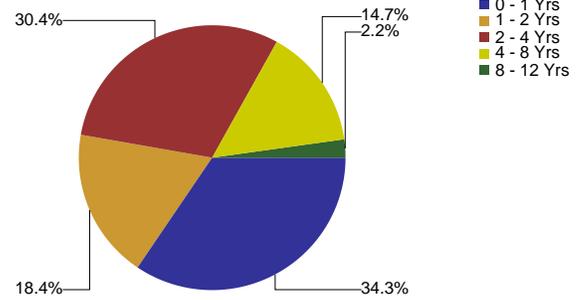
Sector Weightings (as % of Market Value)



Portfolio Characteristics

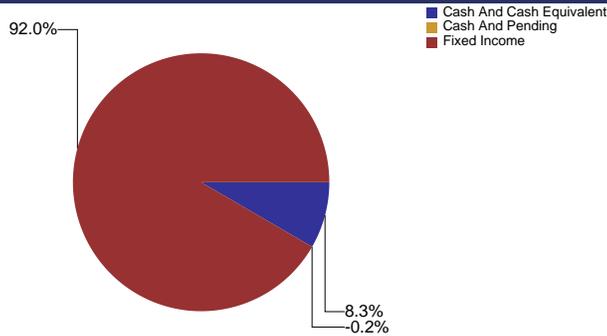
Duration Mix

Total Net Assets (Millions) **284.3**
 Weighted Average Life (Years) **3.53**
 Weighted Avg. Effective Duration (Years) **2.25**
 Weighted Average Rating **AA**
 Number of Holdings **123**



Asset Mix

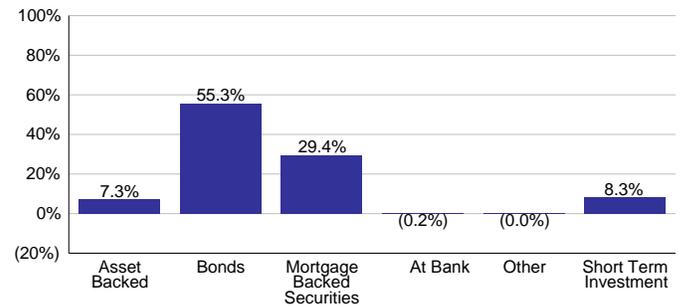
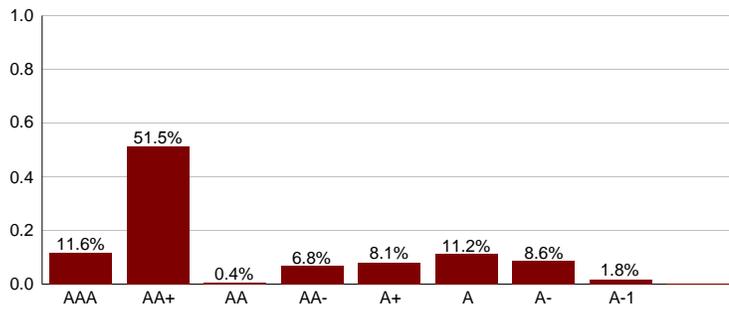
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
852990H11	TRI-PARTY REPO SOUTH STREET 0.23% 01/MAY/2012	4.04%	0.23	1/5/2012
191216AN0	COCA-COLA CO 0.75% SNR NTS 15/NOV/2013 USD1000	2.83%	0.75	15/11/2013
92343VAY0	VERIZON COMMUNICATIONS INC 3% BDS 01/APR/2016	1.88%	3.00	1/4/2016
06423RBK1	BANK ONE ISSUANCE TRUST SER 2004-A3 CL A3	1.76%	0.41	15/2/2017
532457AN8	LILLY(ELI)& CO 6.57% NTS 01/JAN/2016 USD1000	1.76%	6.57	1/1/2016
59217GAF6	METROPOLITAN LIFE GLOBAL FUNDING I FRN 10/JAN/2014	1.76%	1.22	10/1/2014
52468JF41	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	1.75%	0.00	4/6/2012
36962G5T7	GENERAL ELEC CAP CORP MTN BE SR FIX/FLT NT 16	1.71%	1.55	8/2/2016
3137A8QA9	FREDDIE MAC 3841 AV 4.000% 15/MAR/2024	1.70%	4.00	15/3/2024
05531FAG8	BB&T CORP 3.2% BDS 15/MAR/2016 USD1000	1.68%	3.20	15/3/2016

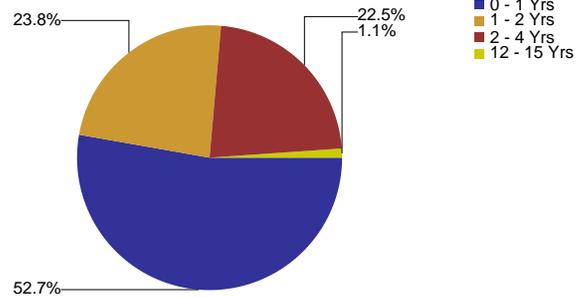
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

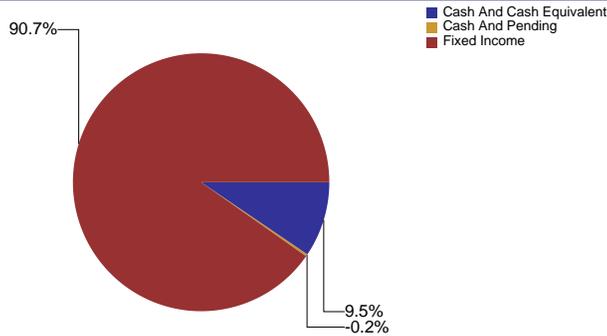


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 12.4
Weighted Average Life (Years) 3.93
Weighted Avg. Effective Duration (Years) 1.32
Weighted Average Rating AA+
Number of Holdings 27

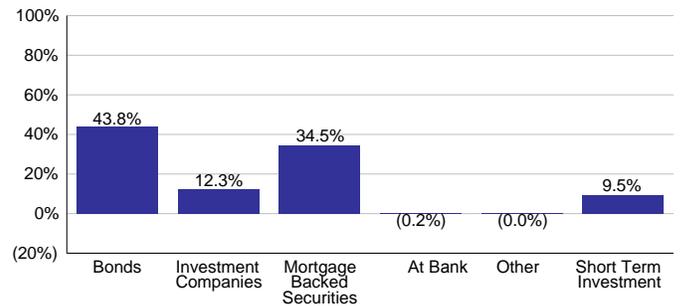
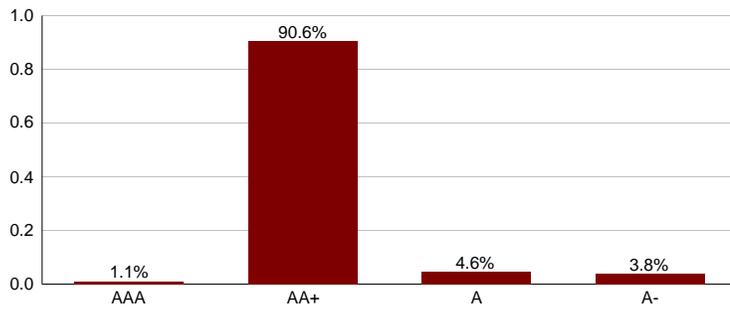


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
958268S	LONG TERM GOV'T POOL	12.30%	0.00	31/12/2049
928989383	JP MORGAN U S GOV'T MMF AGENCY SHARES	5.41%	0.00	31/12/2049
3137ALQW2	FREDDIE MAC 3999 TA 4.000% 15/NOV/2034	4.98%	4.00	15/11/2034
3133XUQ48	FEDERAL HOME LOAN BANKS CONS BD 3.8% 14/SEP/2016	4.93%	3.80	14/9/2016
31398ACS9	FEDERAL NATIONAL MORTGAGE ASSOC 5.78% BDS	4.77%	5.78	7/6/2022
31294KTB1	FEDERAL HOME LN MTG CORP GOLD POOL # EO1446 DTD	4.66%	4.50	1/9/2018
10138MAH8	BOTTTLING GROUP 6.95% SNR NTS 15/MAR/2014 USD1000	4.55%	6.95	15/3/2014
3137A7HC7	FREDDIE MAC 3800 KE 3.500% 15/FEB/2026	4.32%	3.50	15/2/2026
3128X6SL1	FEDERAL HOME LN MTG CORP CALL 5.25%13/DEC/2022	4.23%	5.25	13/12/2022
31331KL73	FEDERAL FARM CR BKS CONS BD 3.8% 02/NOV/2026	4.16%	3.80	2/11/2026

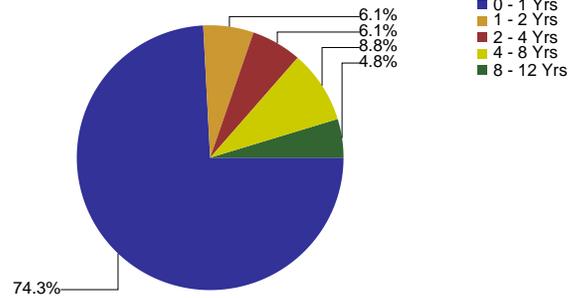
Quality/Rating Weightings Sector Weightings (as % of Market Value)



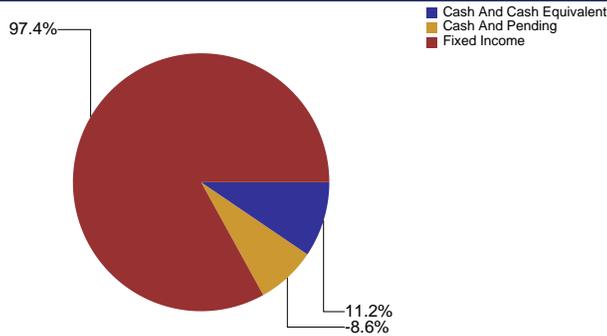
Portfolio Characteristics Duration Mix

Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

200.6
2.18
1.27
AA
65

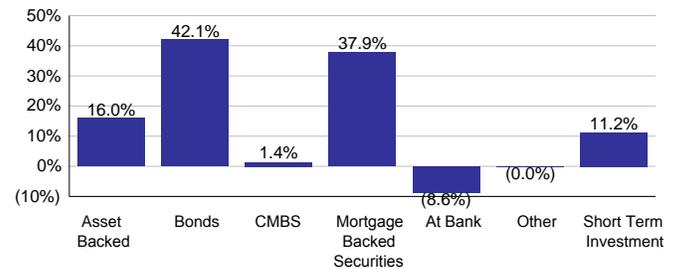
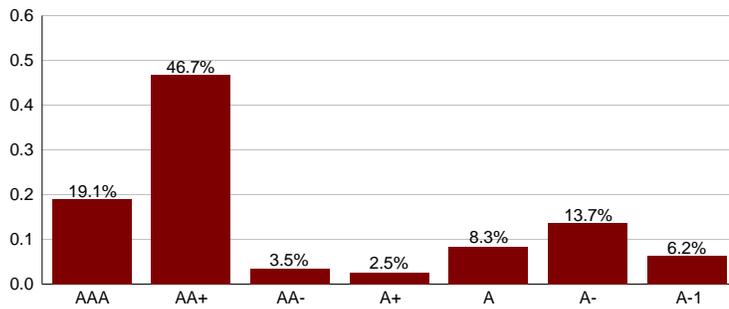


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
852990H11	TRI-PARTY REPO SOUTH STREET 0.23% 01/MAY/2012	4.59%	0.23	1/5/2012
63534PAH0	NATIONAL CITY BANK(CLEVELAND) FLTG RATE NTS	3.02%	0.84	7/6/2017
3137ALQW2	FREDDIE MAC 3999 TA 4.000% 15/NOV/2034	2.44%	4.00	15/11/2034
38377XC75	GINNIE MAE 2011-133 MN 3.500% 16/APR/2035	2.44%	3.50	16/4/2035
3137GAWWS2	FREDDIE MAC 3738 BJ 3.500% 15/DEC/2038	2.39%	3.50	15/12/2038
3137GAWQ6	FREDDIE MAC 3738 BH 3.000% 15/DEC/2038	2.38%	3.00	15/12/2038
31417A4P1	FNMA MORTPASS 3.5% 01/FEB/2042 CL PN# AB4429	2.38%	3.50	1/2/2042
31417AX20	FNMA MORTPASS 3.5% 01/JAN/2042 CL PN# AB4296	2.35%	3.50	1/1/2042
3137AKDQ1	FREDDIE MAC 3992 H 4.000% 15/JUN/2036	2.32%	4.00	15/6/2036
78446XAA3	SLM STUDENT LOAN TRUST VAR MTG BDS 18/JAN/2022	2.30%	1.34	18/1/2022

Quality/Rating Weightings Sector Weightings (as % of Market Value)



OPERATING MONIES
AVERAGE INVESTED BALANCE

Through April 30, 2012

(in millions of dollars)

<u>Month</u>	<u>Fiscal Year</u> <u>2009/2010</u>	<u>Fiscal Year</u> <u>2010/2011</u>	<u>Fiscal Year</u> <u>2011/2012</u>
JULY	116	1,077	1,209
AUGUST	(200)	761	818
SEPTEMBER	11	590	744
OCTOBER	(224)	358	668
NOVEMBER	(431)	570	858
DECEMBER	(733)	592	979
JANUARY	(463)	835	1,511
FEBRUARY	(423)	863	1,501
MARCH	(686)	802	1,373
APRIL	(635)	1,002	1,725
MAY	(579)	1,128	
JUNE	450	1,358	
Y-T-D			
Average	(\$316)	\$828	\$1,139

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
APRIL 2012**

Distributed in Current Month

Recipient	APRIL 2012	Fiscal YTD 11/12	Fiscal YTD 10/11
101 A & M Colleges	\$22,280	\$219,761	\$46,999
102 State Hospital	\$12,347	\$121,789	\$22,957
103 Leg., Exec., & Jud.	\$18,283	\$180,394	\$44,501
104 Military Institute	\$1,297	\$12,795	\$3,449
105 Miners Hospital	\$29,529	\$291,416	\$62,278
107 Normal School ASU/NAU	\$7,607	\$75,066	\$17,314
108 Penitentiaries	\$29,198	\$288,865	\$96,048
109 Permanent Common School	\$6,558,971	\$64,714,976	\$13,382,112
110 School for Deaf & Blind	\$10,923	\$107,779	\$25,902
111 School of Mines	\$25,281	\$249,403	\$58,401
112 State Charitable-Pioneers Home	\$114,920	\$1,133,026	\$209,847
112 State Charitable-Corrections	\$57,460	\$566,513	\$104,925
112 State Charitable-Youth Treatment	\$57,460	\$566,513	\$104,925
113 University Fund	\$40,373	\$398,273	\$89,548
114 U of A Land - 1881	\$86,333	\$851,091	\$200,827
Total	\$7,072,263	\$69,777,658	\$14,470,033

Posted in USAS in current month

**ENDOWMENT FUNDS
 PORTFOLIO YIELD ANALYSIS
 APRIL 30, 2012**

NET EARNINGS

FUND	DESCRIPTION	Current Month 04/30/12	Prior Month 03/31/12	Prior Year 4/30/11
205	ENDOWMENTS - FIXED INCOME	\$3,648,094	\$3,696,310	\$4,211,093

YIELDS

<u>MONTHLY</u>	Current Month 04/30/12	Prior Month 03/31/12	Prior Year 4/30/11	
205	ENDOWMENTS - FIXED INCOME	5.40%	5.46%	5.51%

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Apr-12 NET GAIN(LOSS)	Apr-11 NET GAIN(LOSS)
----- Fixed Income Pool	(258,562)	(167,253)
Equity Pool (500)	250,408	94,825
Equity Pool (400)	3,056,876	4,909,627
Equity Pool (600)	946,689	36,213
Totals	3,995,411	4,873,412

Endowment Fund	2011/2012 FISCAL YEAR TO DATE GAINS(LOSSES)	2010/ 2011 FISCAL YEAR TO DATE GAINS(LOSSES)
----- Fixed Income Pool	340,034	(1,488,344)
Equity Pool (500)	(813,417)	1,837,964
Equity Pool (400)	18,690,631	24,810,834
Equity Pool (600)	2,486,356	58,585
Totals	20,703,604	25,219,040

ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
 Month of April 2012

State Treasurer's Report
 May 22, 2012
 Page 21

I. Endowment Funds Purchases

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S / S&P RATING</u>
FNMA	2.00	4/26/2019	NA	\$10,000,000	\$10,033,472	0.69%	Aaa/NR
JOHN DEERE	2.25	4/17/2019	NA	\$3,000,000	\$2,991,900	2.29%	A2/A

TOTAL ENDOWMENT FUNDS PURCHASES	-----	-----		-----	-----
	\$13,000,000	\$13,025,372			
	-----	-----		-----	-----

II. Endowment Funds Sales

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>PAR VALUE</u>	<u>AMORTIZED COST/PROCEEDS</u>	<u>SALES GAINS/(LOSSES)</u>	<u>MOODY'S / S&P RATING</u>
-----------------------------	-------------	-----------------	----------------------	------------------------------------	---------------------------------	-------------------------------------

TOTAL ENDOWMENT FUNDS SALES	-----	-----		-----	-----
	\$0	\$0		\$0	
	-----	-----		-----	-----

*WAL is the weighted average life of the security based on the Bloomberg calculation at the time the trade is executed. The calculation is used only with mortgage-backed pass-through/CMO securities.

EQUITY FUNDS
PURCHASES & SALES
Month of April 2012

State Treasurer's Report
May 22, 2012
Page 22

I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	233,136	\$5,687,429	\$2,468
S&P 500 Large-Cap Fund	32,837	\$3,199,022	\$218
S&P 600 Small-Cap Fund	136,113	\$4,683,811	\$2,042
TOTAL EQUITY PURCHASES	402,086	\$13,570,262	\$4,728

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	106,943	\$6,821,830	\$1,332
S&P 500 Large-Cap Fund	26,539	\$960,412	\$398
S&P 600 Small-Cap Fund	112,488	\$2,583,193	\$659
TOTAL EQUITY SALES	245,970	\$10,365,435	\$2,388

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 APRIL 30, 2012
 (In Thousands)

State Treasurer's Report
 May 22, 2012
 Page 23

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
101	A & M Colleges					
	<i>Shares in Large-Cap 500 Equity Fund</i>	2,561	2,341	3,261	920	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	761	746	1,650	905	
	<i>Shares in Small-Cap 600 Equity Fund</i>	804	788	857	69	
	<i>Shares in Fixed Income Fund</i>	2,242	2,528	3,997	1,470	
	Total	6,367	6,402	9,765	3,363	1.525
102	State Hospital					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,697	1,483	2,161	678	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	436	472	945	473	
	<i>Shares in Small-Cap 600 Equity Fund</i>	477	467	509	42	
	<i>Shares in Fixed Income Fund</i>	1,337	1,584	2,384	800	
	Total	3,948	4,006	6,000	1,993	1.498
103	Leg., Exec., & Jud.					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,940	1,902	2,470	569	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	579	607	1,255	648	
	<i>Shares in Small-Cap 600 Equity Fund</i>	665	651	709	58	
	<i>Shares in Fixed Income Fund</i>	1,856	2,065	3,309	1,243	
	Total	5,040	5,225	7,743	2,519	1.482
104	Military Institute					
	<i>Shares in Large-Cap 500 Equity Fund</i>	131	130	167	36	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	42	42	92	50	
	<i>Shares in Small-Cap 600 Equity Fund</i>	48	47	51	4	
	<i>Shares in Fixed Income Fund</i>	132	142	235	93	
	Total	353	361	544	184	1.509
105	Miners Hospital					
	<i>Shares in Large-Cap 500 Equity Fund</i>	5,278	5,410	6,722	1,312	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,321	1,825	2,865	1,041	
	<i>Shares in Small-Cap 600 Equity Fund</i>	1,615	1,605	1,721	116	
	<i>Shares in Fixed Income Fund</i>	4,220	5,861	7,523	1,662	
	Total	12,434	14,700	18,831	4,131	1.281

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

APRIL 30, 2012

(In Thousands)

State Treasurer's Report

May 22, 2012

Page 24

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
107	Normal School ASU/NAU					
	<i>Shares in Large-Cap 500 Equity Fund</i>	944	898	1,203	304	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	259	284	562	278	
	<i>Shares in Small-Cap 600 Equity Fund</i>	294	288	313	25	
	<i>Shares in Fixed Income Fund</i>	813	963	1,450	487	
	Total	2,310	2,433	3,527	1,094	1.450
108	Penitentiaries					
	<i>Shares in Large-Cap 500 Equity Fund</i>	3,280	2,985	4,177	1,192	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	872	946	1,892	946	
	<i>Shares in Small-Cap 600 Equity Fund</i>	938	920	999	80	
	<i>Shares in Fixed Income Fund</i>	2,648	3,216	4,722	1,506	
	Total	7,738	8,067	11,790	3,723	1.462
109	Permanent Common School					
	<i>Shares in Large-Cap 500 Equity Fund</i>	924,594	901,748	1,177,515	275,766	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	233,059	286,134	505,496	219,361	
	<i>Shares in Small-Cap 600 Equity Fund</i>	270,384	265,470	288,190	22,721	
	<i>Shares in Fixed Income Fund</i>	754,406	973,286	1,344,975	371,689	
	Total	2,182,443	2,426,638	3,316,176	889,538	1.367
110	School for Deaf & Blind					
	<i>Shares in Large-Cap 500 Equity Fund</i>	1,339	1,279	1,706	426	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	381	410	827	417	
	<i>Shares in Small-Cap 600 Equity Fund</i>	432	423	460	37	
	<i>Shares in Fixed Income Fund</i>	1,206	1,386	2,149	764	
	Total	3,358	3,498	5,142	1,644	1.470
111	School of Mines					
	<i>Shares in Large-Cap 500 Equity Fund</i>	2,908	2,835	3,704	869	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	815	901	1,768	867	
	<i>Shares in Small-Cap 600 Equity Fund</i>	922	903	983	80	
	<i>Shares in Fixed Income Fund</i>	2,579	3,066	4,598	1,532	
	Total	7,225	7,705	11,053	3,348	1.435

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 APRIL 30, 2012
 (In Thousands)

State Treasurer's Report
 May 22, 2012
 Page 25

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
112	State Charitable					
	<i>Shares in Large-Cap 500 Equity Fund</i>	30,261	28,334	38,538	10,204	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	7,310	8,952	15,854	6,902	
	<i>Shares in Small-Cap 600 Equity Fund</i>	8,360	8,189	8,910	721	
	<i>Shares in Fixed Income Fund</i>	23,821	30,519	42,469	11,949	
	Total	69,751	75,994	105,771	29,777	1.392
113	University Fund					
	<i>Shares in Large-Cap 500 Equity Fund</i>	4,874	4,707	6,207	1,501	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	1,346	1,498	2,919	1,421	
	<i>Shares in Small-Cap 600 Equity Fund</i>	1,542	1,512	1,644	132	
	<i>Shares in Fixed Income Fund</i>	4,290	5,077	7,649	2,572	
	Total	12,052	12,793	18,419	5,626	1.440
114	U Of A Land - 1881					
	<i>Shares in Large-Cap 500 Equity Fund</i>	13,966	13,994	17,786	3,792	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	3,555	4,420	7,711	3,291	
	<i>Shares in Small-Cap 600 Equity Fund</i>	4,230	4,141	4,508	367	
	<i>Shares in Fixed Income Fund</i>	11,820	15,064	21,073	6,010	
	Total	33,571	37,619	51,078	13,459	1.358
TOTALS - ALL FUNDS						
	<i>Shares in Large-Cap 500 Equity Fund</i>	993,773	968,047	1,265,617	297,570	
	<i>Shares in Mid-Cap 400 Equity Fund</i>	250,737	307,237	543,837	236,599	
	<i>Shares in Small-Cap 600 Equity Fund</i>	290,710	285,403	309,855	24,452	
	<i>Shares in Fixed Income Fund</i>	811,370	1,044,755	1,446,534	401,779	
	Grand Total	2,346,589	2,605,441	3,565,841	960,400	
	PRIOR YEAR:					
	APRIL 2011 BALANCES	2,199,512	2,473,695	3,334,070	860,375	

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
APRIL 30, 2012**

State Treasurer's Report
May 22, 2012
Page 26

ASSET ALLOCATION PERCENTAGE

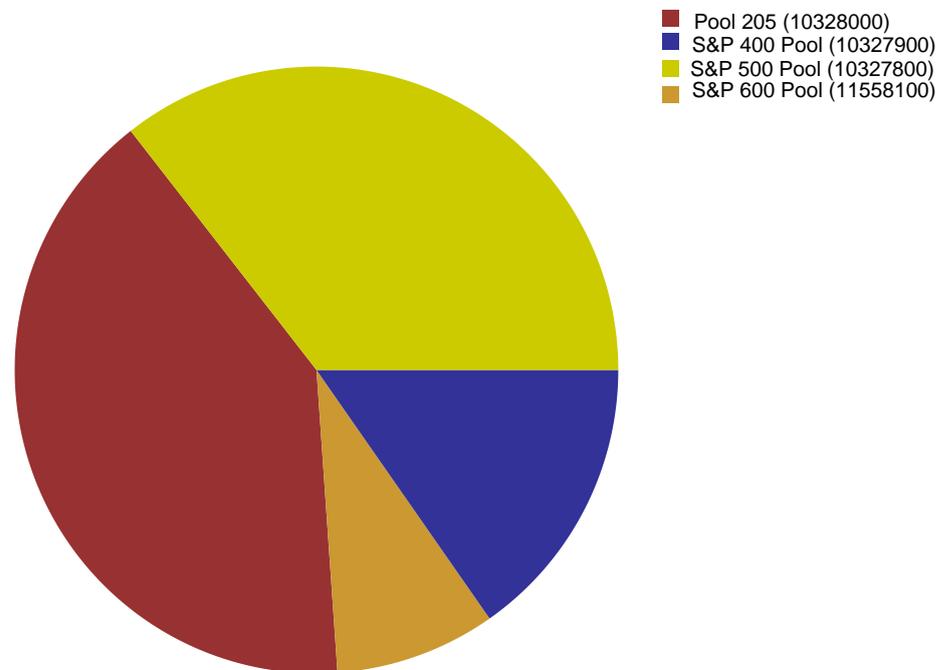
	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	APRIL 2011 MARKET VALUE
<i>Shares in Large-Cap 500 Equity Fund</i>	42.35%	37.15%	35.49%	34.69%
<i>Shares in Mid-Cap 400 Equity Fund</i>	10.69%	11.79%	15.25%	16.54%
<i>Shares in Small-Cap 600 Equity Fund</i>	12.39%	10.95%	8.69%	2.51%
<i>Shares in Fixed Income Fund</i>	34.58%	40.10%	40.57%	46.26%
Total	100.00%	100.00%	100.00%	100.00%

Performance Worksheet
Arizona State Treasury (05509)
 As of April 2012
 Gross of Fee

Total Endowment Fund Composite (00550902)													
ID	Name	Beginning Market Value	Ending Market Value	Cashflow	Current Month	Trailing Three Months	Year to Date	Fiscal Year To Date	Trailing One Year	Trailing Three Years	Trailing Five Years	Since Inception	Inception Date
10327800	S&P 500 Pool	1,275,457,761.15	1,265,616,562.15	-1,846,421	(0.63)	7.08	11.87	7.71	4.71	19.47	1.11	1.30	07/01/1999
10327900	S&P 400 Pool	545,717,708.59	543,836,542.24	-791,323	(0.20)	6.30	13.32	2.66	(0.75)	21.65	3.84	7.74	08/01/2001
10328000	Pool 205	1,434,539,024.76	1,446,533,669.56	-2,110,196	0.98	0.64	1.28	5.24	5.96	5.84	5.79	6.02	07/01/1999
11558100	S&P 600 Pool	314,294,867.94	309,854,604.28	-527,549	(1.25)	3.79	10.61	3.91	1.07			5.71	03/01/2011
00550902	Total Endowment Fund Composite	3,570,009,362.44	3,565,841,378.23	-5,275,489	0.03	3.99	7.41	6.31	4.95	12.45	4.03	5.32	07/01/1999

Manager Allocation - Daily Arizona State Treasury (05509) As of April 30, 2012

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,446.53	40.6%
S&P 400 Pool (10327900)	543.84	15.3%
S&P 500 Pool (10327800)	1,265.62	35.5%
S&P 600 Pool (11558100)	309.85	8.7%
TOTAL	3,565.84	100.0%



Portfolio Characteristics

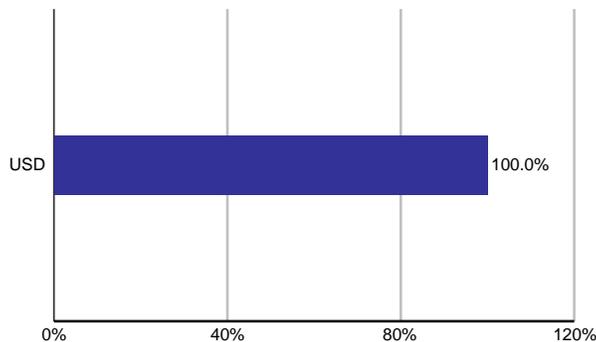
Risk Measures

Total Asset Value (in Millions)	1,265.6		Trailing 1 Year	0.05	Trailing 3 Years	0.10	Trailing 5 Years	0.25	Since Inception	1.69
P/E Ratio	15.84		Information Ratio	(0.91)	(0.06)	0.32	(0.39)	16.64	15.58	18.91
Price to Book Ratio	2.12		Std Deviation of Port.	16.67	15.63	19.00	16.11	0.28	1.24	(0.00)
Dividend Yield (%)	2.05		Std Deviation of Bench.	0.28	1.24	(0.01)	(0.03)	0.28	1.24	(0.01)
Return on Equity (%)	20.08		Sharpe Ratio of Port.	1.00	1.00	1.00	0.99	1.00	1.00	0.99
Sales Growth (%)	7.68		Sharpe Ratio of Bench.	(0.03)	0.05	0.10	(0.69)			
Market Capitalization (\$ Millions)	106,151.29		R-Squared							
Earnings per Share (\$)	5.61		Jensen's Alpha							
Number of Holdings	502									

Top Ten Portfolio Holdings

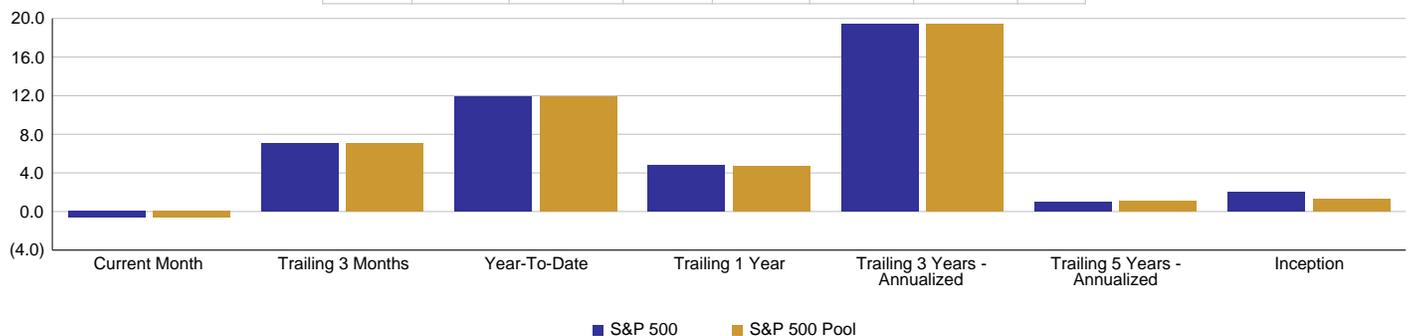
Security ID	Security Name	% of Assets
037833100	APPLE INC - COM NPV	4.16%
78462F103	SPDR S&P 500 ETF TRUST	3.42%
30231G102	EXXON MOBIL CORP - COM NPV	3.11%
459200101	INTL BUSINESS MACHINES CORP - COM USD.2	1.83%
594918104	MICROSOFT CORP - COM USD.00000625	1.83%
166764100	CHEVRON CORP - COM USD3	1.61%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.58%
00206R102	AT&T INC - COM USD1	1.51%
478160104	JOHNSON & JOHNSON - COM USD1	1.36%
742718109	PROCTER & GAMBLE CO - COM NPV	1.35%

Top Ten Currency Weights

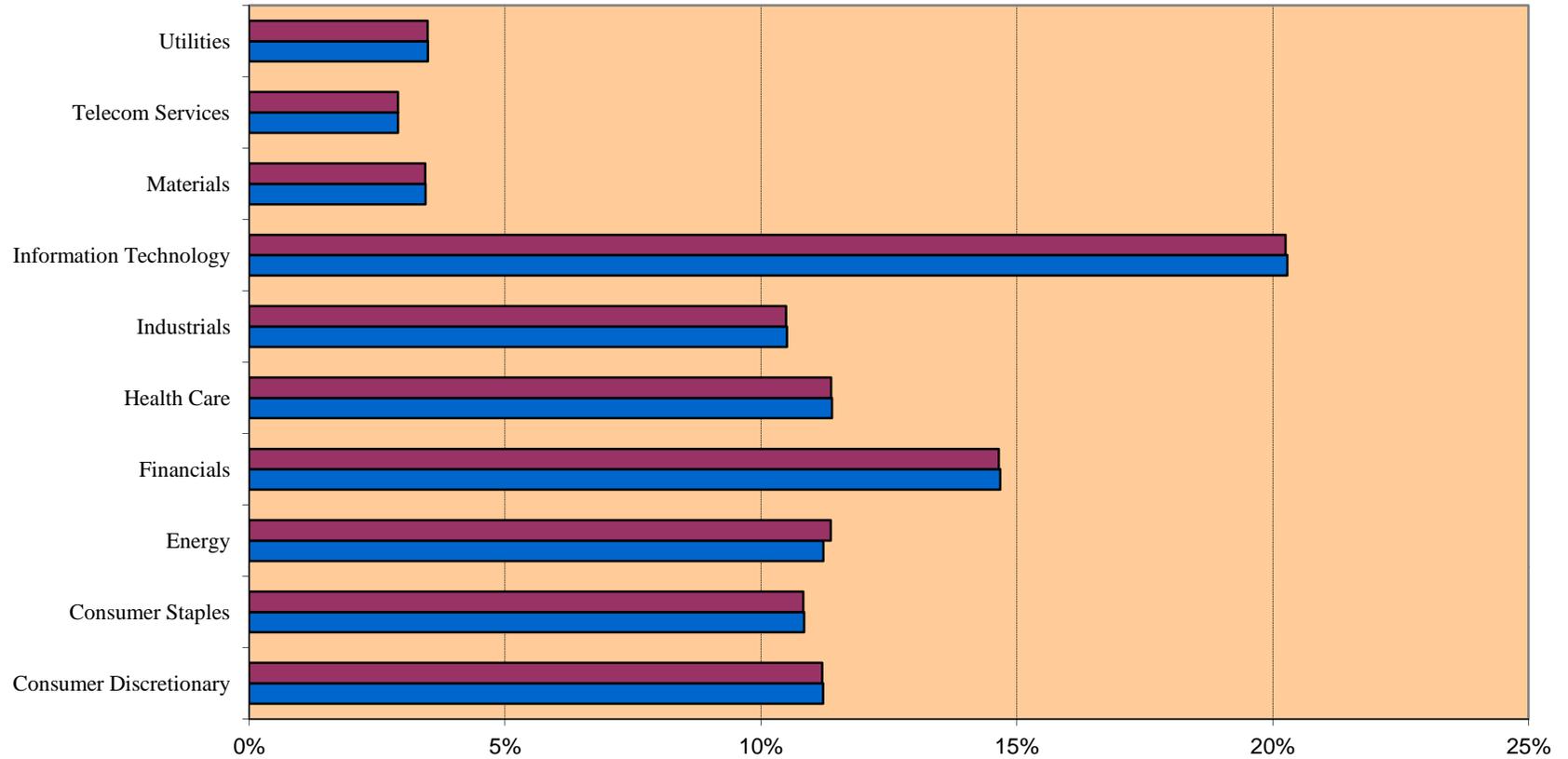


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	(0.63)	7.08	11.87	4.71	19.46	1.10	1.30
S&P 500	(0.63)	7.08	11.88	4.76	19.46	1.01	1.99
Excess	0.00	(0.00)	(0.01)	(0.04)	0.00	0.10	(0.69)



**STATE OF ARIZONA
POOL 201 (S&P 500)
As of April 30, 2012**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 500 Index	11.20%	10.83%	11.37%	14.65%	11.37%	10.49%	20.25%	3.44%	2.91%	3.49%
■ STATE OF ARIZONA - POOL 201	11.22%	10.84%	11.22%	14.68%	11.39%	10.51%	20.29%	3.45%	2.91%	3.50%



Portfolio Characteristics

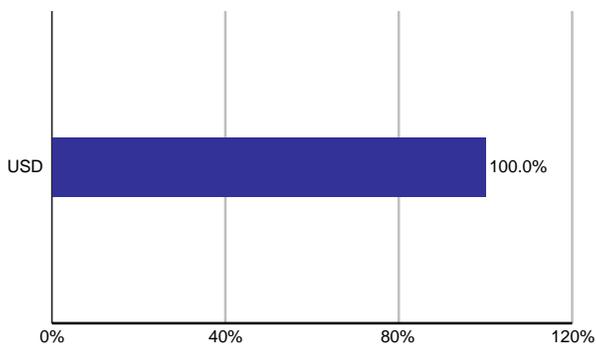
Risk Measures

Total Asset Value (in Millions)	543.8		Trailing 1 Year	0.05	Trailing 3 Years	0.93	Trailing 5 Years	2.07	Since Inception	2.08
P/E Ratio	21.86	Tracking Error	Information Ratio	3.40	(0.96)	(0.20)	(0.09)			
Price to Book Ratio	2.10	Std Deviation of Port.	21.82	18.50	22.05	17.72				
Dividend Yield (%)	1.39	Std Deviation of Bench.	21.85	18.79	22.80	18.68				
Return on Equity (%)	12.34	Sharpe Ratio of Port.	(0.04)	1.16	0.12	0.33				
Sales Growth (%)	6.72	Sharpe Ratio of Bench.	(0.05)	1.20	0.13	0.31				
Market Capitalization (\$ Millions)	3,863.32	R-Squared	1.00	1.00	0.99	0.99				
Earnings per Share (\$)	2.17	Jensen's Alpha	0.18	(0.63)	(0.17)	0.30				
Number of Holdings	401									

Top Ten Portfolio Holdings

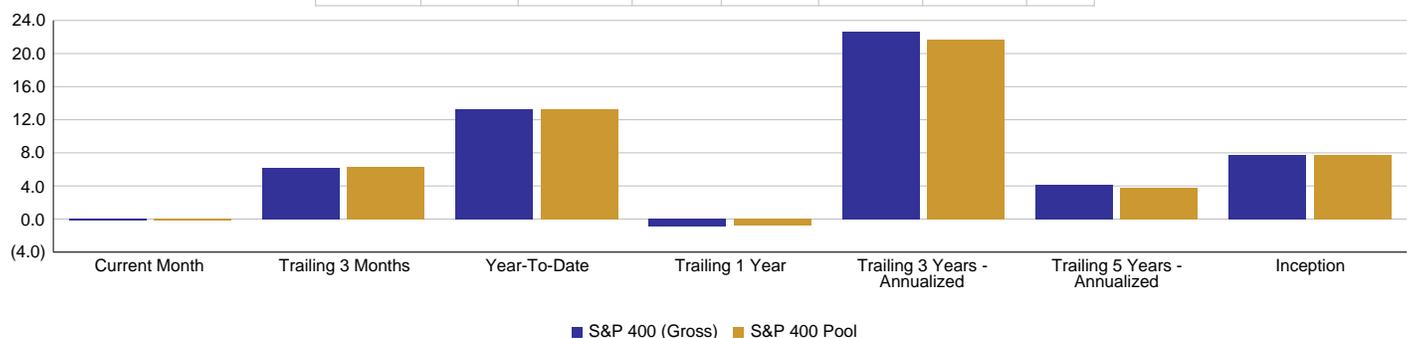
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	3.53%
75886F107	REGENERON PHARMACEUT - COM USD.001	0.84%
611740101	MONSTER BEVERAGE CORP - COM USD.005	0.81%
485170302	KANSAS CITY SOUTHERN - COM NPV	0.69%
554382101	MACERICH CO - COM USD.01	0.66%
92532F100	VERTEX PHARMACEUTICALS INC - COM USD.01	0.66%
031100100	AMETEK INC - COM USD1	0.66%
29444U502	EQUINIX INC - COM USD.001	0.63%
171340102	CHURCH & DWIGHT INC - COM NPV	0.59%
78440X101	SL GREEN REALTY CORP - COM USD.01	0.58%

Top Ten Currency Weights

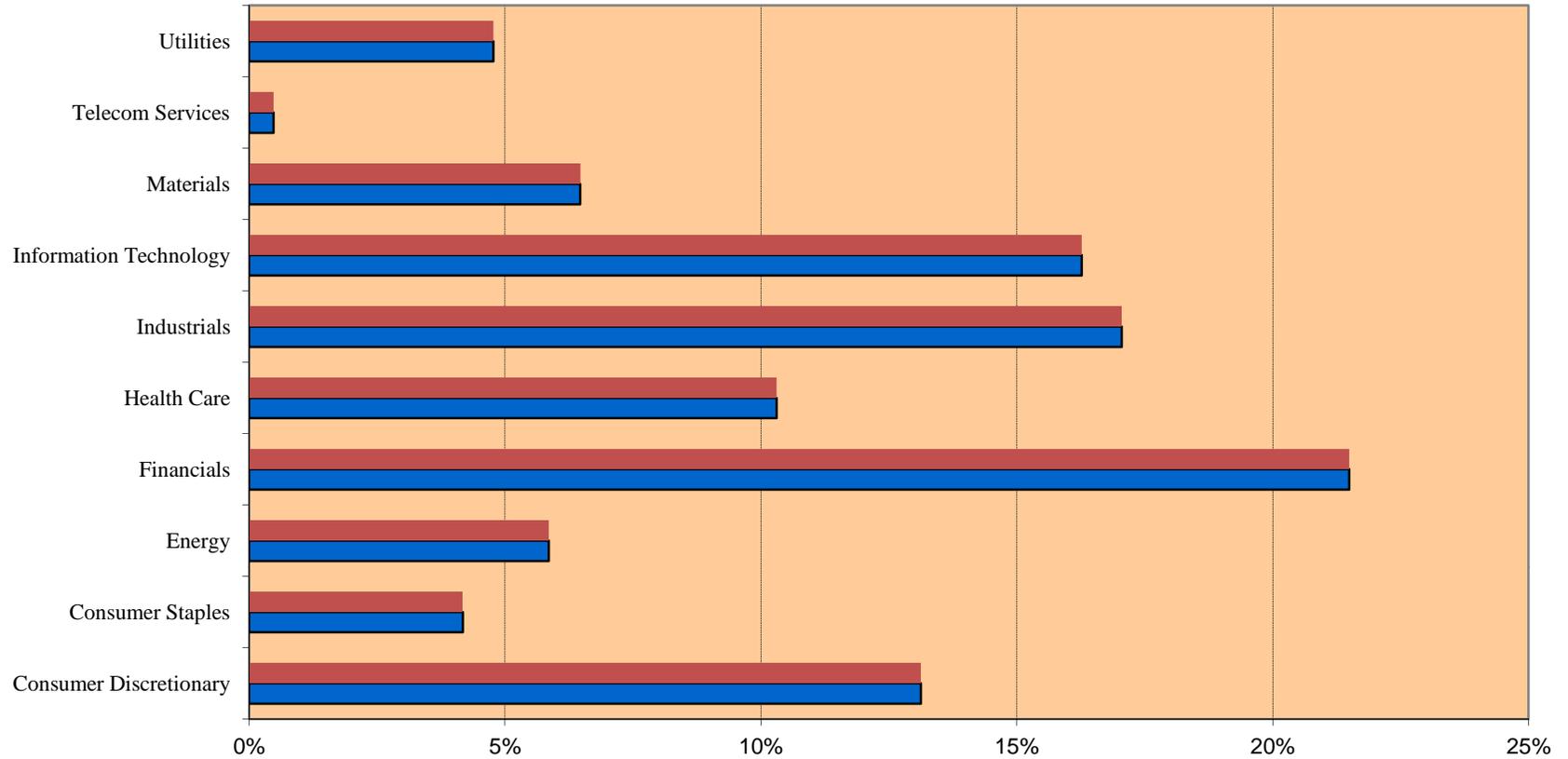


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	(0.20)	6.30	13.32	(0.75)	21.64	3.83	7.74
S&P 400 (Gross)	(0.23)	6.22	13.24	(0.94)	22.65	4.11	7.76
Excess	0.02	0.07	0.08	0.18	(1.01)	(0.27)	(0.02)



**STATE OF ARIZONA
POOL 203 (S&P MIDCAP 400)
As of April 30, 2012**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P MIDCAP 400	13.13%	4.17%	5.86%	21.50%	10.31%	17.05%	16.27%	6.47%	0.48%	4.77%
■ STATE OF ARIZONA - POOL 203	13.13%	4.18%	5.86%	21.50%	10.31%	17.05%	16.27%	6.47%	0.48%	4.77%



Portfolio Characteristics

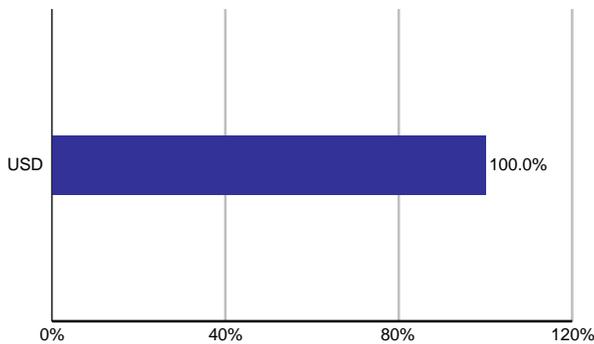
Risk Measures

Total Asset Value (in Millions)	309.9	Tracking Error	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
P/E Ratio	23.8	Information Ratio	0.07	-	-	0.11
Price to Book Ratio	1.84	Std Deviation of Port.	(0.18)	-	-	(1.00)
Dividend Yield (%)	1.19	Std Deviation of Bench.	22.43	-	-	20.87
Return on Equity (%)	10.99	Sharpe Ratio of Port.	22.47	-	-	20.91
Sales Growth (%)	8.03	Sharpe Ratio of Bench.	0.05	-	-	0.27
Market Capitalization (\$ Millions)	1,229.83	R-Squared	0.05	-	-	0.27
Earnings per Share (\$)	1.52	Jensen's Alpha	1.00	-	-	1.00
Number of Holdings	602		(0.00)	-	-	(0.09)

Top Ten Portfolio Holdings

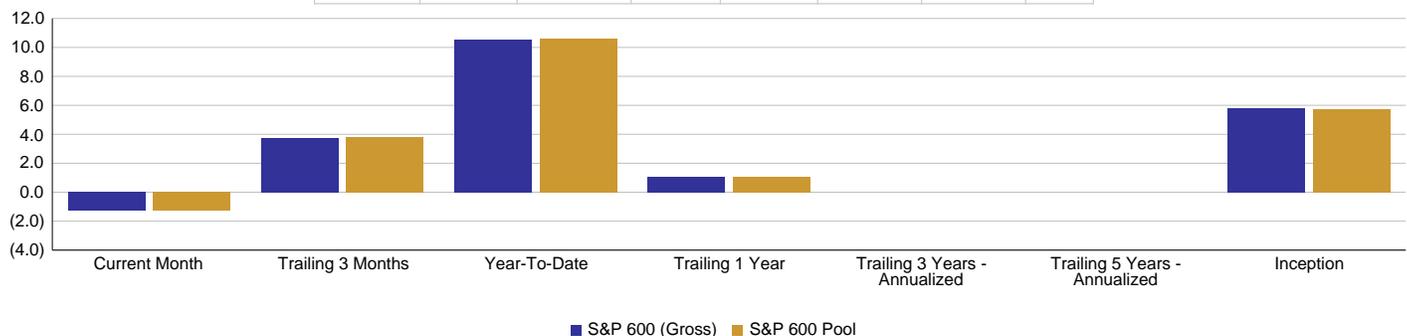
Security ID	Security Name	% of Assets
464287804	ISHARES TRUST S&P SMALLCAP 600 INDEX FUND	4.56%
49427F108	KILROY REALTY CORP - COM USD.01	0.62%
30225T102	EXTRA SPACE STORAGE INC - COM USD.01	0.59%
795435106	SALIX PHARMACEUTICALS LTD - COM NPV	0.56%
875465106	TANGER FACTORY OUTLET CTRS - COM USD.01	0.55%
74835Y101	QUESTCOR PHARMACEUTICALS INC - COM NPV	0.55%
59522J103	MID-AMERICA APT CMNTYS INC - COM USD.01	0.53%
74267C106	PROASSURANCE CORP - COM NPV	0.52%
229678107	CUBIST PHARMACEUTICALS INC - COM USD.001	0.51%
737464107	POST PROPERTIES INC - COM USD.01	0.50%

Top Ten Currency Weights

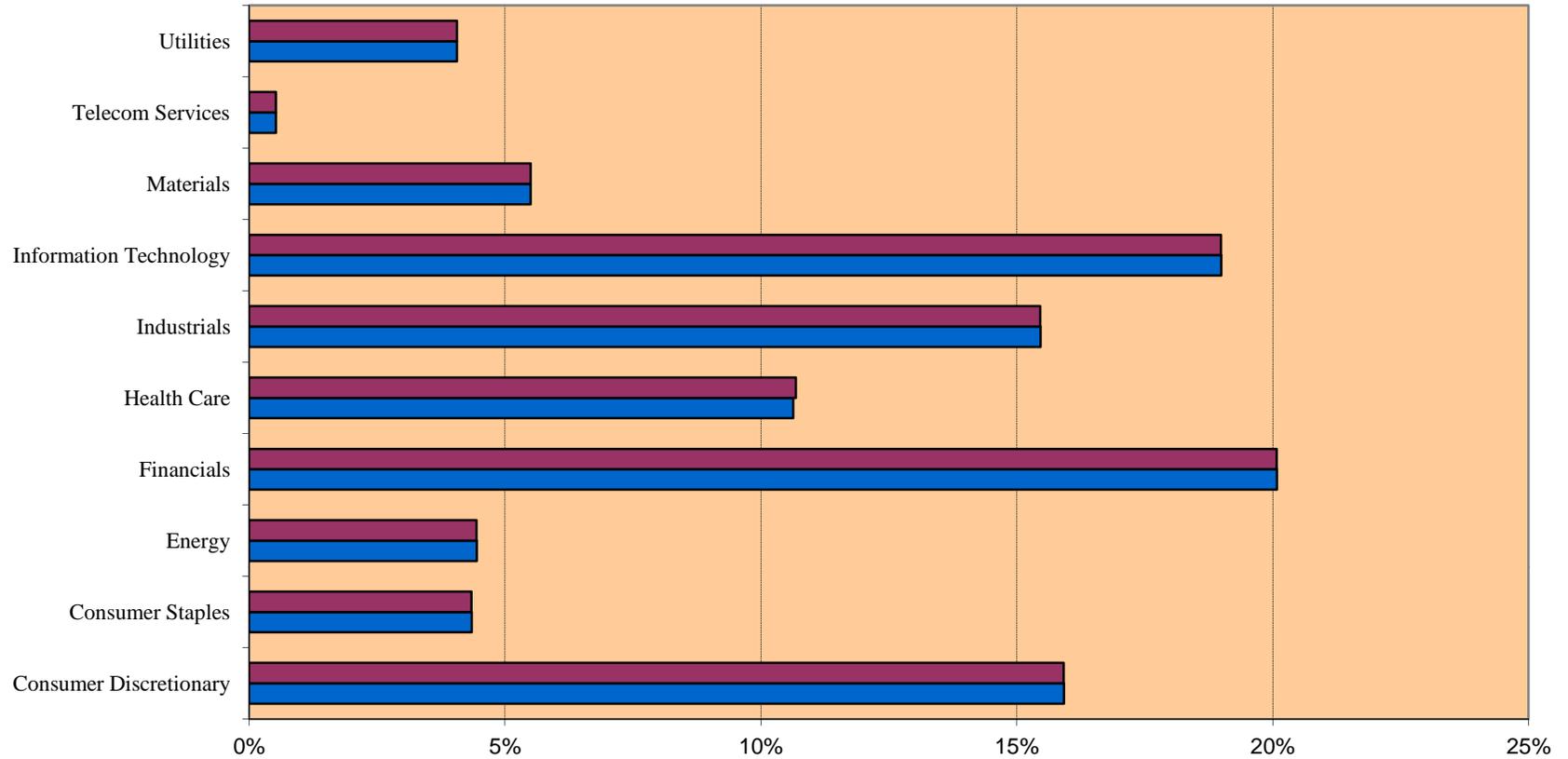


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 600 Pool	(1.25)	3.79	10.61	1.07			5.71
S&P 600 (Gross)	(1.26)	3.75	10.57	1.07			5.82
Excess	0.02	0.04	0.04	(0.01)	(0.00)	(0.00)	(0.10)



**STATE OF ARIZONA
POOL 204 (S&P 600 Index)
As of April 30, 2012**

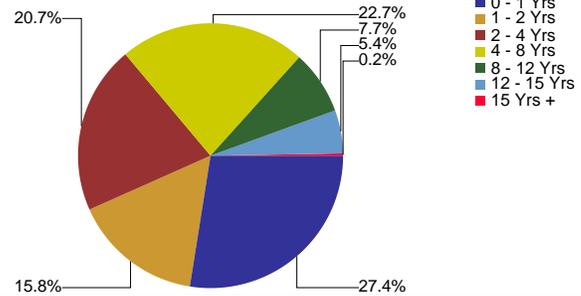


	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 600 Index	15.92%	4.35%	4.44%	20.08%	10.69%	15.46%	18.99%	5.50%	0.52%	4.06%
■ STATE OF ARIZONA - POOL 204	15.92%	4.35%	4.45%	20.08%	10.63%	15.47%	18.99%	5.50%	0.52%	4.06%

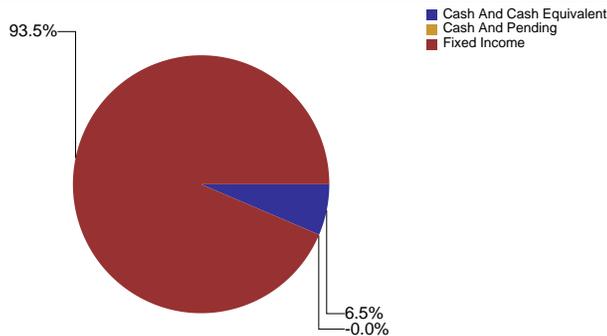
S&P 600 Index
 STATE OF ARIZONA - POOL 204

Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,446.5
Weighted Average Life (Years) 5.20
Weighted Avg. Effective Duration (Years) 3.63
Weighted Average Coupon (%) 4.26
Weighted Average Current Yield (%) 0.98
Weighted Average Yield to Maturity (%) 1.00
Weighted Average Rating AA
Number of Holdings 240

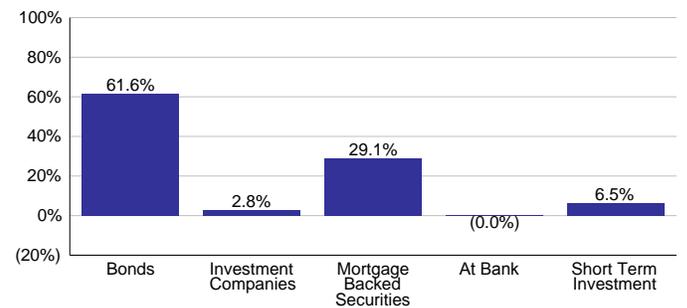
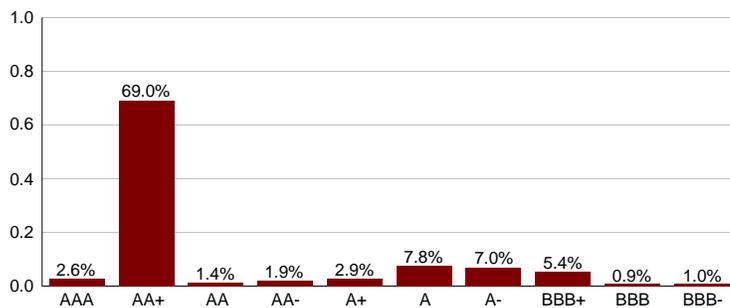


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	6.39%	0.00	31/12/2049
31359MQV8	FEDERAL NATIONAL MORTGAGE ASSOC 4.75% BDS	1.44%	4.75	21/2/2013
947513BB	LONG TERM POOL	1.43%	0.00	1/5/2012
958268S	LONG TERM GOVT POOL	1.42%	0.00	31/12/2049
912810FA1	USA TREASURY BDS6.375% BDS 15/AUG/2027 USD1000	1.04%	6.38	15/8/2027
912810ED6	USA TREASURY BDS 8.125% BDS15/AUG/2019 USD1000	1.03%	8.12	15/8/2019
20825CAP9	CONOCOPHILLIPS 5.9% BDS 15/MAY/2038 USD1000	0.89%	5.90	15/5/2038
740816AD5	PRESIDENT & FELLOWS HARVARD COLLEGE 5.625% BDS	0.89%	5.62	1/10/2038
92343VAM6	VERIZON COMMUN 6.1% NTS 15/APR/2018 USD1000	0.84%	6.10	15/4/2018
59562VAT4	MIDAMERICAN ENERGY HLDGS 5.75% SNR NTS 01/APR/2018	0.82%	5.75	1/4/2018

Quality/Rating Weightings Sector Weightings (as % of Market Value)



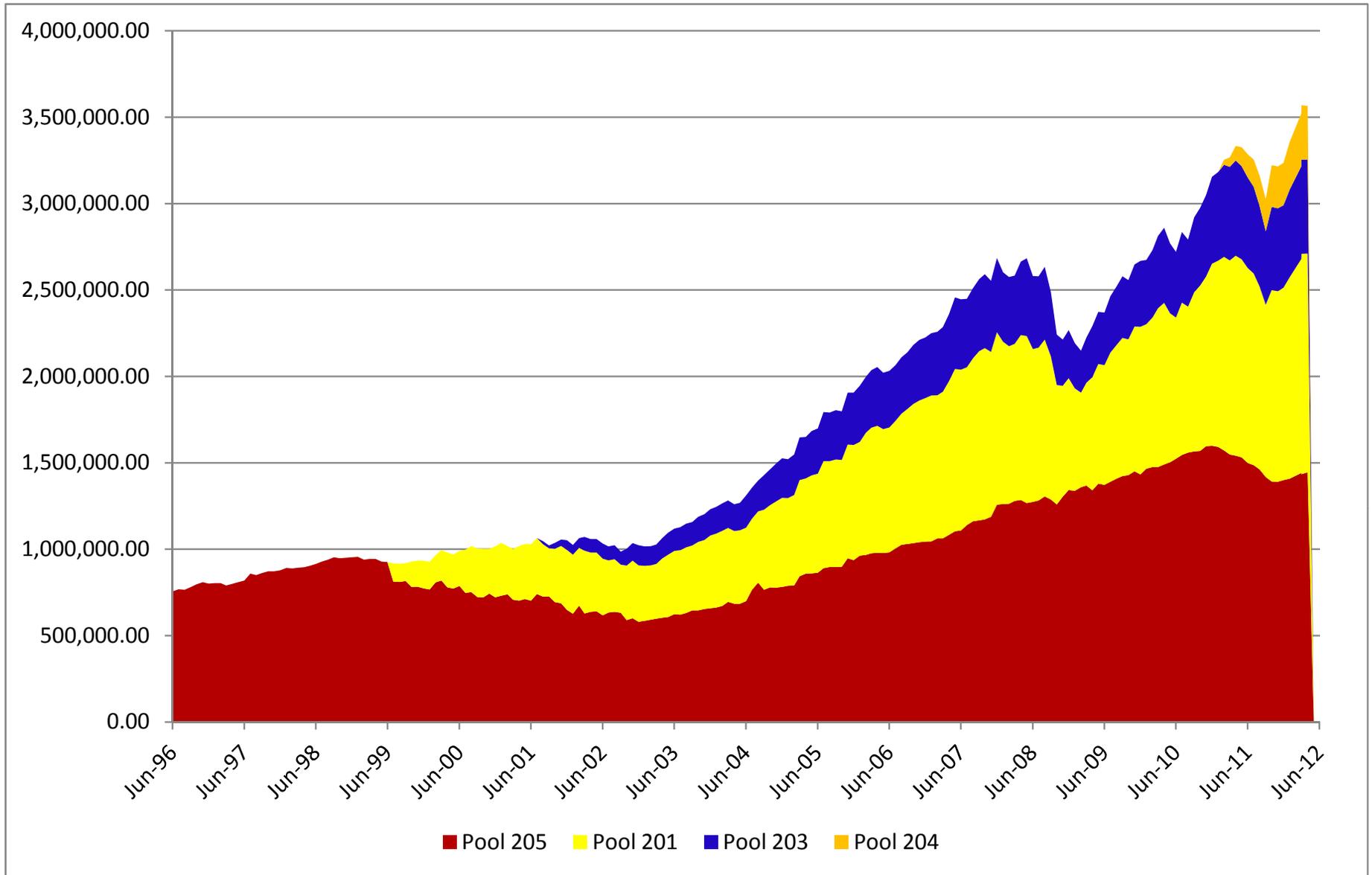
Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	0.98	0.64	1.28	5.96	5.84	5.79	6.02
CITIGROUP BROAD INVESTMENT GRADE INDEX	1.11	0.51	1.36	7.61	6.78	6.55	6.30
Excess	(0.12)	0.13	(0.08)	(1.64)	(0.95)	(0.76)	(0.28)



Thousands

Endowment Fund Market Value

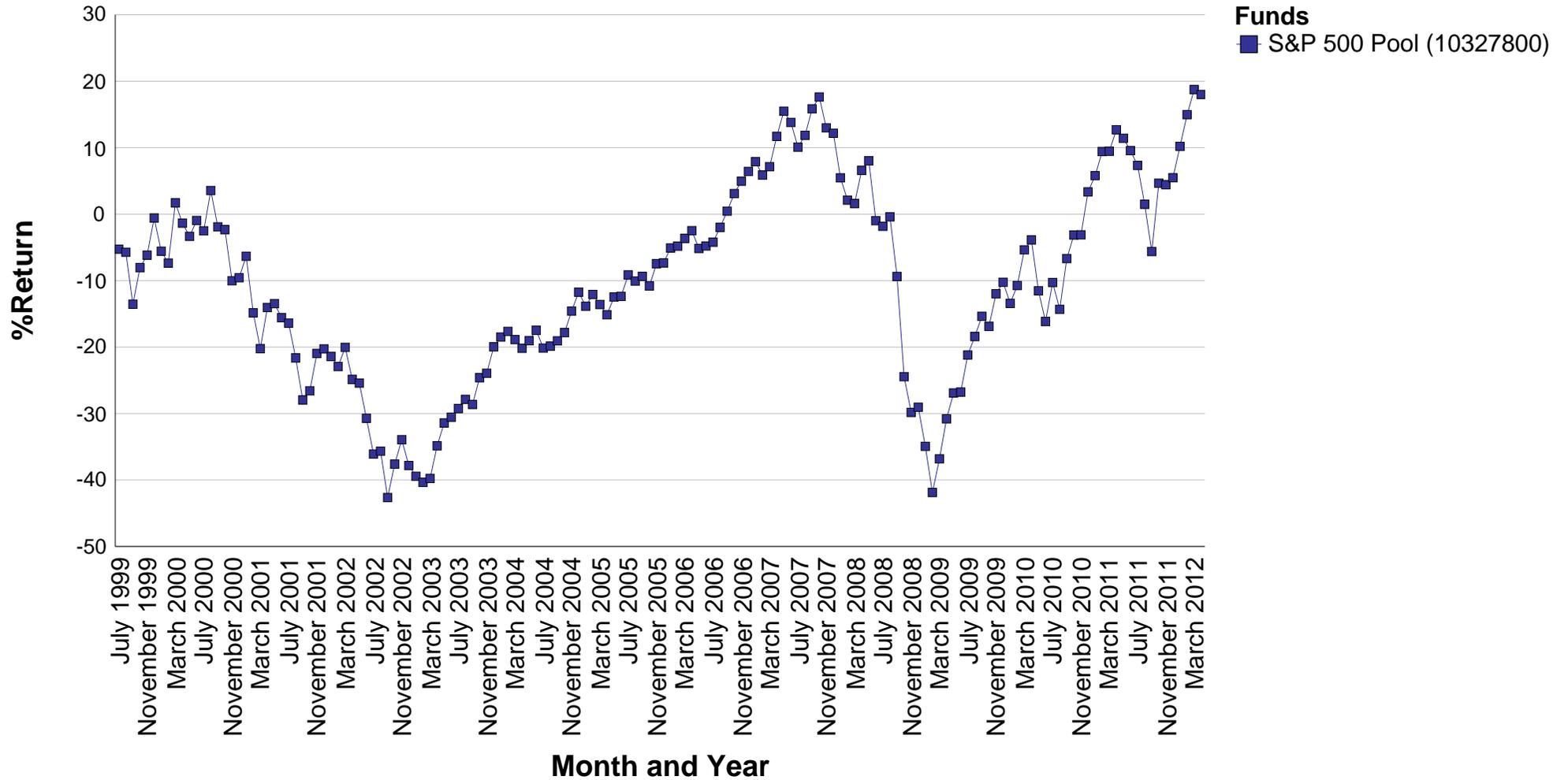


Performance Growth by Account

Arizona State Treasury (05509)

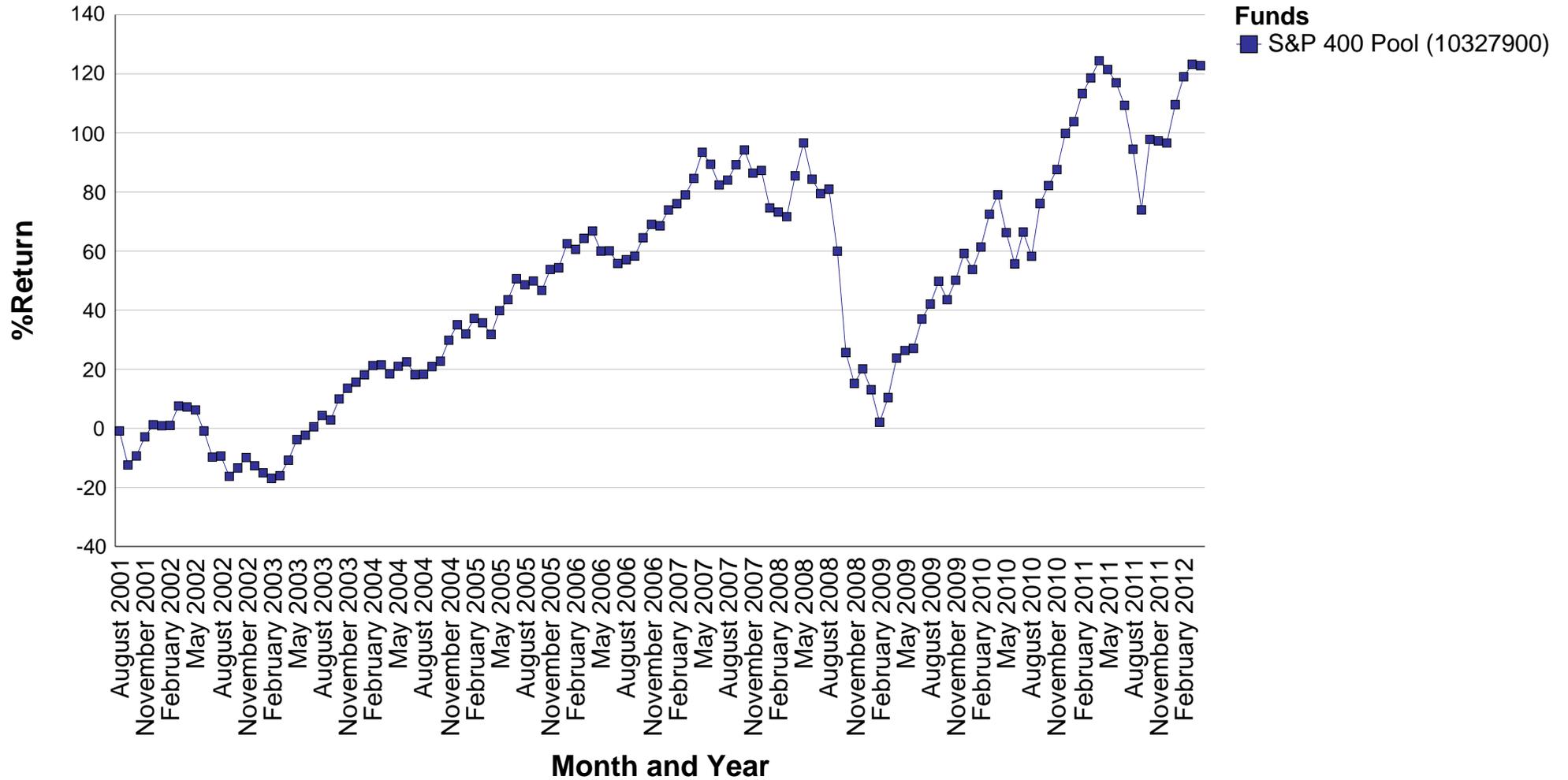
From July 1999 to April 2012

Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)
From August 2001 to April 2012
Gross of Fee

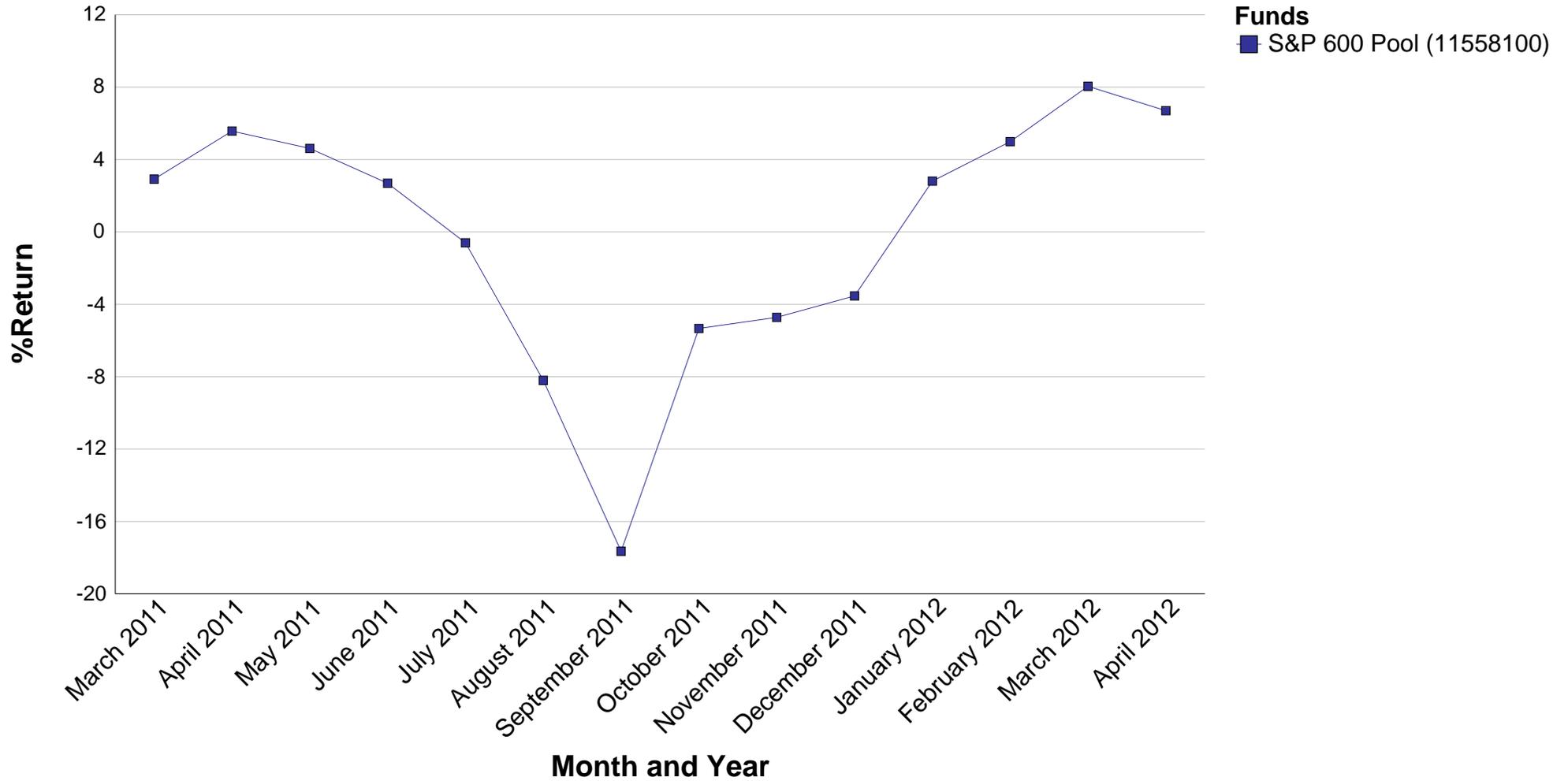


Performance Growth by Account

Arizona State Treasury (05509)

From March 2011 to April 2012

Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to April 2012

Gross of Fee

