

OFFICE OF THE
ARIZONA STATE TREASURER



Doug Ducey
TREASURER



DECEMBER 2012

Presented To:

Arizona State Board of Investment

JANUARY 22, 2013

STATE BOARD OF INVESTMENT

A G E N D A

January 22, 2013

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
 - G. Broker Activity Report
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
 - A. Approval of Endowment Distributions for FY 2013 and FY 2014
 - B. Presentation of Update Endowment Asset Allocation Study
8. Call to the Public
9. Notice of Next Meeting
10. Adjournment

REPORT OF THE STATE TREASURER

FOR

January 22, 2013

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on December 20, 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 1:04 p.m.

Members Present:

Doug Ducey, Chair, State Treasurer
Beth Ford, Treasurer, Pima County
Lauren Kingry, Superintendent, Department of Financial Institutions
Brian McNeil, Director of Arizona Department of Administration –*Arrived at 1:22 pm due to a prior conflict with the revised start time.*
Harry A. Papp, CFA and Managing Partner, L. Roy Papp & Associate

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
Martin Kelly, Investment Analyst, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Sheila Asher, VP, Relationship Manager, JP Morgan

Pursuant to A.R.S. 35-311, the following reports for November, 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

1. Call to Order:

Treasurer Ducey called the December 20, 2012 BOI meeting to order at approximately 1:04 pm.

2. Treasurers Comments:

Treasurer Ducey welcomed the board members and guests and thanked all present for attending the December 20, 2012 meeting.

3. *Approval of Minutes:*

Ms. Ford made a motion to approve the November 27, 2012 minutes. Mr. Kingry seconded the motion. Motion carried.

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 November, 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 November, 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 November, 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 November 30, 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 November, 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 November, 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 November 30, 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 November 30, 2012.

Operating Monies Average Invested Balance

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

Endowment Funds Yield Analysis

Mr. White reported the net yield of the Endowment Fund Fixed Income Pool for the month of November, 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 November, 2012 and FY13 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 November, 2012.

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of November 30, 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 November 30, 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 November 30, 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 November 30, 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 November 30, 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 November 30, 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 November, 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 November, 2012.

Approval of Treasurer's Report

Mr. Kingry 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:

Treasurer Ducey noted that a deferred action on the final Endowment Distribution for FY 2013 from the passage of Prop 118 will take place at the January Board Meeting. At that time, the Board will also adopt the Final Distribution for Fiscal Year 2014.

8. Call to the Public

Ms. Asher acknowledged the team in their efforts and wished all staff and board members a Merry Christmas.

9. Notice of Next Meeting:

Treasurer Ducey advised the Board that the next regular meeting of the Board of Investment will be Tuesday, January 22, 2013 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

In closing, Treasurer Ducey expressed his gratitude for the efforts of the Staff and the Board Members and wished all in attendance a Merry Christmas. Ms. Ford also extended her gratitude for the work that the staff has done over the years and wished everyone a Merry Christmas as well.

10. Adjournment:

Mr. Kingry made a motion to adjourn the BOI meeting. Mr. Papp seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 1:31 p.m.

Respectfully Submitted by:

Barbara Conley
Executive Consultant II

*State Treasurer's Report
January 22, 2013 Meeting
Minutes of the December 20, 2012 Meeting*

Approved by:

Doug Ducey, Chair

Date

**EARNINGS DISTRIBUTION - INVESTMENT POOLS
 DECEMBER 2012**

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	DECEMBER 2012	Fiscal YTD 12/13	Fiscal YTD 11/12	
General Fund	\$1,062,072	\$6,390,133	\$4,051,011	
2 State Agencies - Full Faith & Credit	515,085	3,040,539	3,733,251	\$303,457
3 State Agencies - Diversified (<i>Combined</i>)	1,032,889	6,582,542	4,982,771	627,375
4 State Agencies - Gov	497,057	2,658,627	1,984,095	313,151
5 LGIP	275,149	1,415,736	1,215,176	379,327
7 LGIP Gov	165,201	908,875	457,556	412,202
12 CAWCD Medium-Term	533,666	2,991,328	3,129,195	85,283
15 GADA Long-Term	16,093	106,501	156,458	3,655
16 ECDH Medium-Term	478,353	2,782,602	0	108,803
Subtotal	\$4,575,564	\$26,876,882	\$19,709,512	\$2,233,252
NAV POOL				
500 LGIP - Med Term	282,221	1,768,787	1,582,572	76,997
700 LGIP - FF&C Med Term	173,298	1,167,829	603,415	61,557
Total	\$5,031,083	\$29,813,497	\$21,895,499	\$2,371,806
DECEMBER 2011 TOTALS	\$3,973,279			\$2,098,214

**LGIP & LGIP- GOV
 PORTFOLIO YIELD ANALYSIS
 DECEMBER 31, 2012**

NET EARNINGS

FUND	DESCRIPTION	Current Month 12/31/12	Prior Month 11/30/12	Prior Year 12/31/11	Net Asset Value Per Share
5	LGIP	279,921	244,303	220,382	1.0000
7	LGIP - GOV	167,936	166,469	62,986	1.0000
	TOTAL LGIP & LGIP-GOV	447,857	410,772	283,368	

YIELDS

<u>MONTHLY</u>		Current Month 12/31/12	Prior Month 11/30/12	Prior Year 12/31/11
5	LGIP (NET)	0.23%	0.21%	0.17%
	S & P LGIP INDEX	0.10%	0.10%	0.08%
7	LGIP - GOV (NET)	0.14%	0.15%	0.04%
	3 MONTH T-BILL	0.06%	0.09%	0.00%
<u>YEAR TO DATE</u>				
5	LGIP (NET)	0.23%	0.23%	0.17%
	S & P LGIP INDEX	0.10%	0.10%	0.08%
7	LGIP - GOV (NET)	0.14%	0.13%	0.06%
	3 MONTH T-BILL	0.09%	0.09%	0.01%

* 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
DECEMBER 31, 2012**

NET EARNINGS

FUND	DESCRIPTION	Current Month 12/31/12	Prior Month 11/30/12	Prior Year 12/31/11	Net Asset Value Per Share
500	LGIP - MED TERM POOL	305,073	301,520	340,909	1.0434
700	LGIP - FF&C MED TERM POOL	188,418	162,765	121,889	1.0169
	TOTAL LGIP MEDIUM TERM POOLS	493,492	464,285	462,798	

YIELDS

MONTHLY

	Current Month 12/31/12	Prior Month 11/30/12	Prior Year 12/31/11
500 LGIP - MED TERM (NET)	1.36%	1.39%	1.90%
MERRILL 1-5 US D M INDEX	1.00%	0.95%	1.46%
700 LGIP - FF&C MED TERM (NET)	1.01%	0.90%	1.00%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.66%	0.60%	0.76%

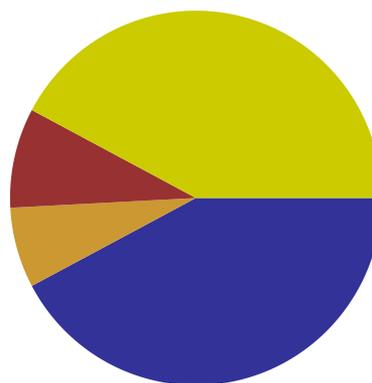
YEAR TO DATE

500 LGIP - MED TERM (NET)	1.50%	1.53%	1.67%
MERRILL 1-5 US D M INDEX	0.94%	0.93%	1.55%
700 LGIP - FF&C MED TERM (NET)	1.24%	1.29%	1.11%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.59%	0.58%	0.92%

Manager Allocation - Daily Arizona State Treasury (05509) As of December 31, 2012

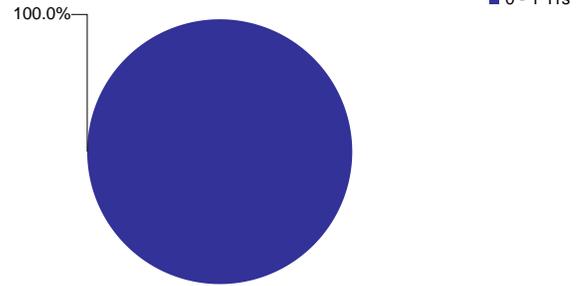
LGIP composite (00550903)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,367.00	42.3%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	1,364.00	42.2%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	274.97	8.5%
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	222.95	6.9%
TOTAL	3,228.92	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)

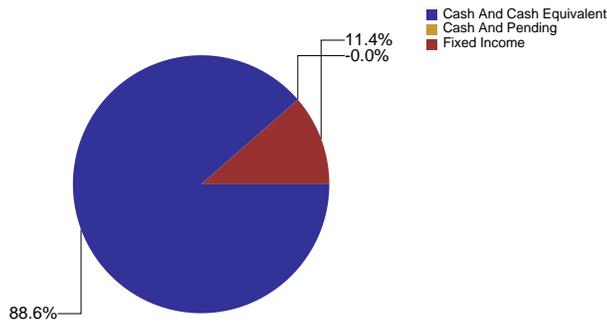


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,367.0
Weighted Average Life (Years) 0.05
Weighted Avg. Effective Duration (Years) 0.06
Weighted Average Maturity (Years) 0.06
Weighted Average Rating AA+
Number of Holdings 74

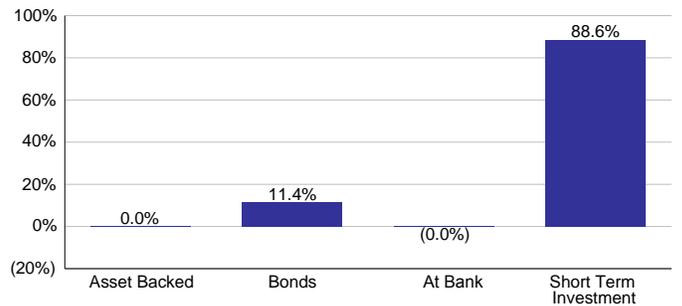
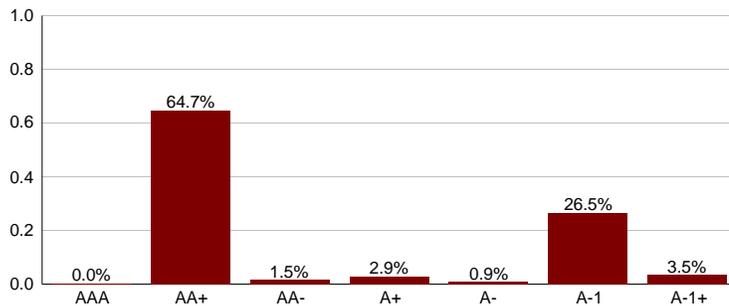


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299R739	TRI-PARTY REPO SOUTH STREET 0.35% 02/JAN/2013	20.75%	0.35	2/1/2013
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 2/JAN/2013	18.44%	0.30	2/1/2013
06099F964	TRI-PARTY REPO BANK OF AMERICA 0.14% 02/JAN/2013	9.14%	0.14	2/1/2013
46999W022	TRI-PARTY REPO JP MORGAN REPO SWEEP 0.20% 2/JAN/2013	7.33%	0.20	2/1/2013
G3499AS11	FIDELITY INVESTMENTS-PRIME MONEY MARKET PORTFOLIO	2.93%	0.14	1/2/2013
634902MU1	NATL CITY BK CLEVE SR MTN BE VR	1.46%	0.41	1/3/2013
3133EASW9	FEDERAL FARM CR BKS CONS BD FLT 13 06/AUG/2013	1.46%	0.21	6/8/2013
882508AS3	TEXAS INSTRUMENTS INC FRN 15/MAY/2013 USD1000	1.23%	0.49	15/5/2013
06538BN25	BANK OF TOKYO-MITSUBIS CORPORATE COMMERCIAL PAPER	1.10%	0.00	2/1/2013
65409RN48	NIEUW AMSTERDAM RECV CORPORATE COMMERCIAL PAPER	1.10%	0.00	4/1/2013

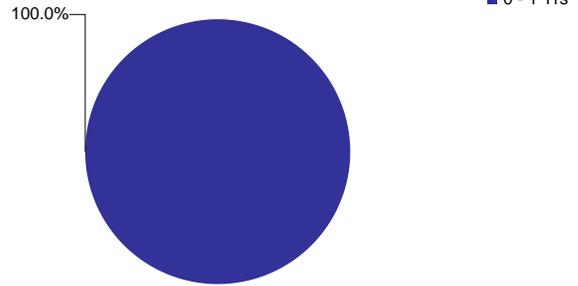
Quality/Rating Weightings Sector Weightings (as % of Market Value)



Portfolio Characteristics

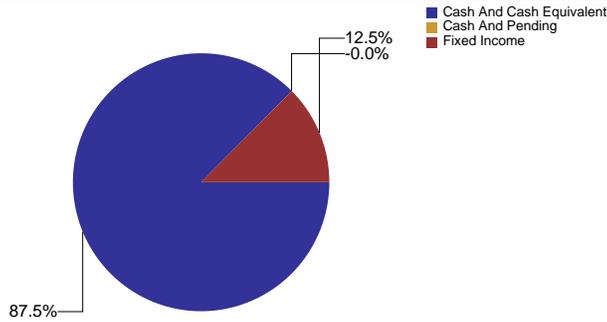
Duration Mix

Total Net Assets (Millions) **1,364.0**
 Weighted Average Life (Years) **0.08**
 Weighted Avg. Effective Duration (Years) **0.13**
 Weighted Average Maturity (Years) **0.12**
 Weighted Average Rating **AA+**
 Number of Holdings **22**



Asset Mix

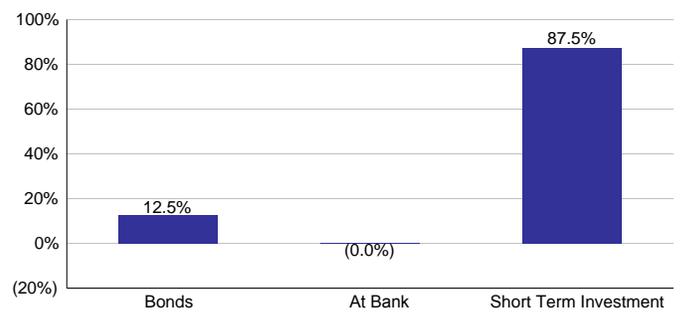
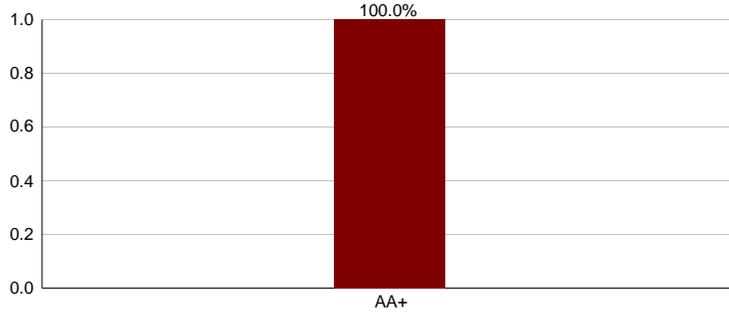
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599C624	TRI-PARTY REPO NOMURA 0.20% 02/JAN/2013	18.20%	0.20	2/1/2013
38199DA02	TRI-PARTY REPO GOLDMAN SACHS 0.17% 10/JAN/2013	12.10%	0.17	10/1/2013
60699B816	TRI-PARTY REPO MIZUHO SECURITIES 0.21% 07/JAN/2013	11.00%	0.21	7/1/2013
38199CX17	TRI-PARTY REPO GOLDMAN SACHS 0.21% 22/JAN/2013	11.00%	0.21	22/1/2013
65599C582	TRI-PARTY REPO NOMURA 0.18% 10/JAN/2013	11.00%	0.18	10/1/2013
60699B675	TRI-PARTY REPO MIZUHO 0.20% 11/JAN/2013	4.77%	0.20	11/1/2013
912828RD4	UNITED STATES TREAS NTS 0.125% 31/AUG/2013	3.67%	0.12	31/8/2013
9127955V9	UNITED STATES TREAS BILLS DT	3.66%	0.00	10/1/2013
9127956F3	UNITED STATES TREAS BILLS DT	3.66%	0.00	4/4/2013
9127956E6	UNITED STATES TREAS BILLS DT	3.66%	0.00	7/3/2013

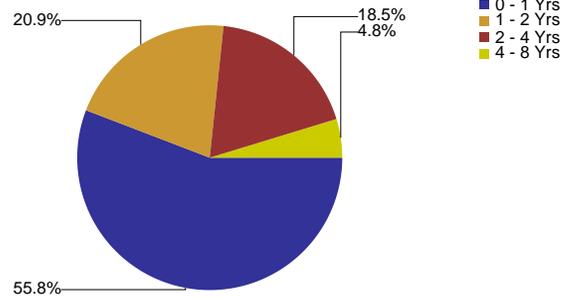
Quality/Rating Weightings

Sector Weightings (as % of Market Value)

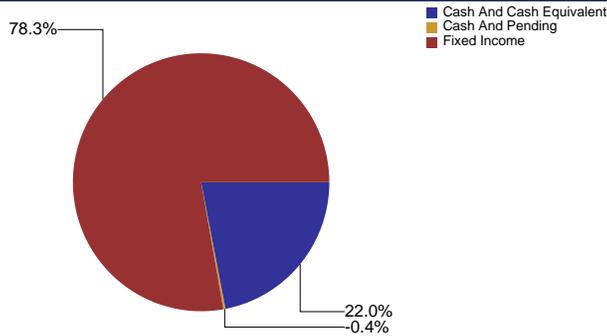


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 275.0
Weighted Average Life (Years) 1.57
Weighted Avg. Effective Duration (Years) 1.21
Weighted Average Rating AA
Number of Holdings 192

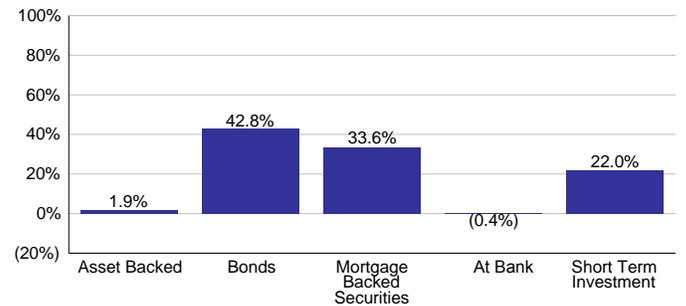
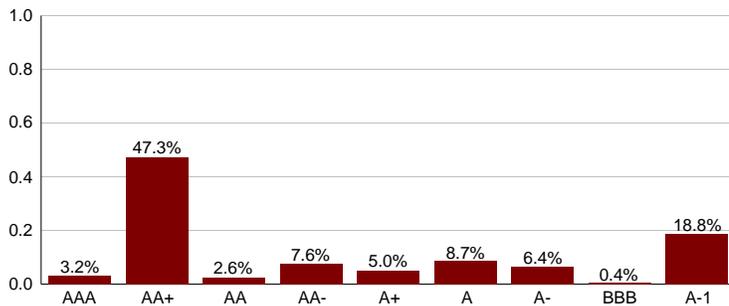


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31417CUR4	FNMA MORTPASS 2.5% 01/AUG/2027 CI PN# AB5991	5.44%	2.50	1/8/2027
85299R739	TRI-PARTY REPO SOUTH STREET 0.35% 02/JAN/2013	2.90%	0.35	2/1/2013
3138A5CF7	FNMA MORTPASS 4% 01/FEB/2026 CI PN# AH3669	2.05%	4.00	1/2/2026
38141GDQ4	GOLDMAN SACHS GROUP INC 5.25% 15/OCT/2013	1.90%	5.25	15/10/2013
31418AHW1	FNMA MORTPASS 2.5% 01/AUG/2027 CI PN# MA1144	1.87%	2.50	1/8/2027
3132GU4P6	FHLMCGLD MORTPASS 3.5% 01/JUL/2042 Q0 PN# Q09530	1.84%	3.50	1/7/2042
62455AN37	MOUNTCLIFF CORPORATE COMMERCIAL PAPER DISCOUNT DTD	1.81%	0.00	3/1/2013
45779PN46	INSTITUTIONAL SECURED CORPORATE COMMERCIAL PAPER	1.81%	0.00	4/1/2013
41068KNA2	HANNOVER FDG CO. LLC CORPORATE COMMERCIAL PAPER	1.81%	0.00	10/1/2013
3137ARRT5	FREDDIE MAC 4080 DA 2.000% 15/MAR/2041	1.81%	2.00	15/3/2041

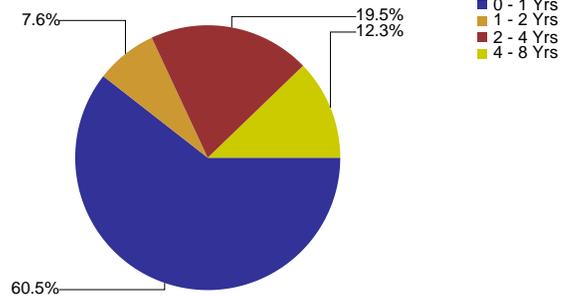
Quality/Rating Weightings Sector Weightings (as % of Market Value)



Portfolio Characteristics

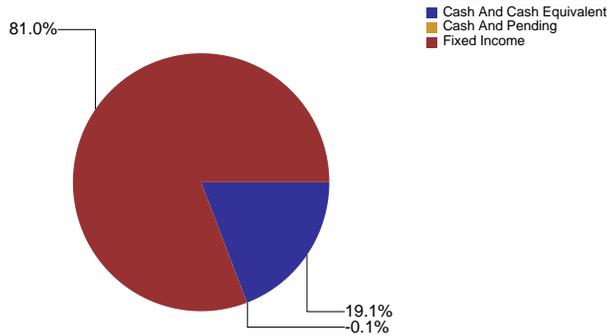
Duration Mix

Total Net Assets (Millions) **222.9**
 Weighted Average Life (Years) **1.97**
 Weighted Avg. Effective Duration (Years) **1.44**
 Weighted Average Rating **AA+**
 Number of Holdings **76**



Asset Mix

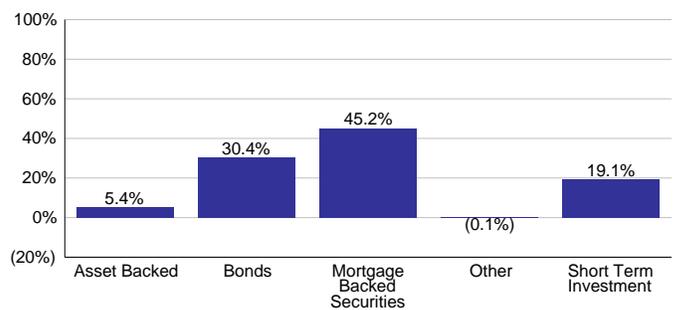
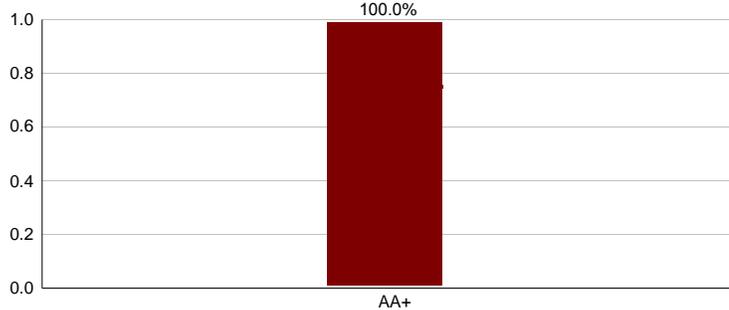
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
06099F964	TRI-PARTY REPO BANK OF AMERICA 0.14% 02/JAN/2013	18.38%	0.14	2/1/2013
30299RE60	FDIC US BANK CDARS ACCOUNT 0.30% 01/FEB/2013	6.75%	0.30	1/2/2013
22087WAC3	CORUS CONSTRUCTION VENTURE LLC 0% NTS 25/OCT/2013	5.41%	0.00	25/10/2013
36179MGW4	GNMA II MORTPASS 3% 20/JUL/2042 JM PN# MA0213	3.58%	3.00	20/7/2042
38378H4K9	GINNIE MAE 2012-124 KB 2.000% 20/JUL/2042	3.41%	2.00	20/7/2042
36179MAH3	GNMA II MORTPASS 3.5% 20/APR/2027 SF PN# MA0008	3.32%	3.50	20/4/2027
36225E3Y6	GNMA II MORTPASS 03% 20/SEP/2040 AT PN# 082614	3.11%	3.00	20/9/2040
912828LL2	US 3.00000 '16	2.47%	3.00	31/8/2016
36178GHQ0	GNMA I MORTPASS 3% 15/AUG/2027 SF PN# AA8339	2.34%	3.00	15/8/2027
36176S4T4	GNMA I MORTPASS 4% 15/SEP/2041 SF PN# 775134	2.33%	4.00	15/9/2041

Quality/Rating Weightings

Sector Weightings (as % of Market Value)



**STATE AGENCY POOLS
 PORTFOLIO EARNINGS ANALYSIS
 DECEMBER 31, 2012**

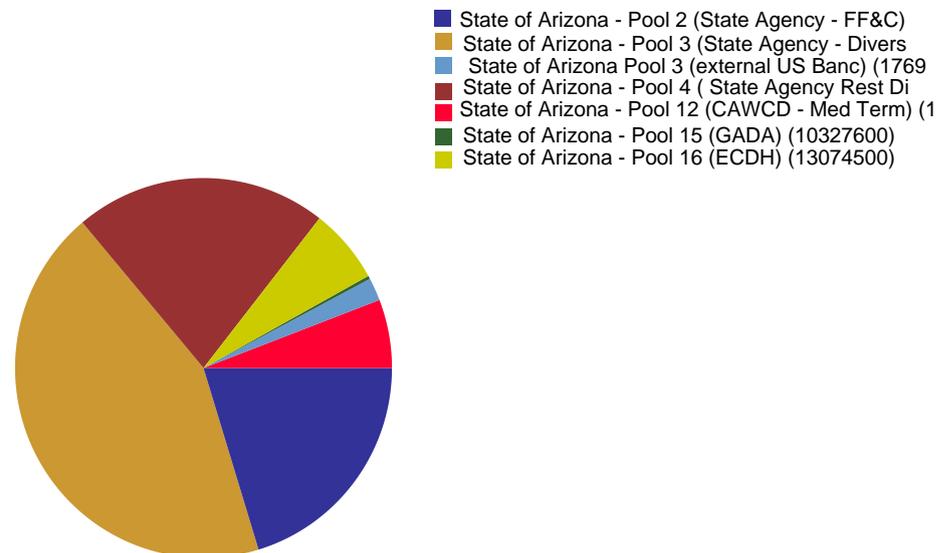
FUND	DESCRIPTION	Current Month 12/31/12	Prior Month 11/30/12	Prior Year 12/31/11	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	839,579	832,001	788,243	1.0086
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	1,426,764	1,345,230	1,444,312	1.0047
	EXTERNAL MANAGERS	46,752	56,286	N/A	1.0006
	FUND 3 TOTAL	1,473,516	1,401,516	1,444,312	1.0045
4	STATE AGENCIES - GOV	748,527	686,789	450,233	1.0033
12	CAWCD MEDIUM-TERM	533,666	461,623	520,389	1.0246
15	GADA LONG-TERM	16,093	18,348	23,936	1.0169
16	ECDH MEDIUM-TERM	478,353	487,012	N/A	1.0098
	TOTAL STATE AGENCIES	4,089,734	3,887,290	3,227,113	

**STATE AGENCY POOLS
 PORTFOLIO YIELD ANALYSIS
 DECEMBER 31, 2012**

FUND	DESCRIPTION	Current Month 12/31/12	Prior Month 11/30/12	Prior Year 12/31/11
2	STATE AGENCIES - FULL FAITH & CREDIT 75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	1.03% 0.49%	1.05% 0.46%	1.01% 0.52%
3	STATE AGENCIES - DIVERSIFIED INTERNAL MANAGERS EXTERNAL MANAGERS COMBINED 50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.81% 0.55% 0.80% 0.59%	0.84% 0.68% 0.84% 0.59%	0.90% N/A 0.90% 0.82%
4	STATE AGENCIES - GOV 50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.88% 0.18%	0.82% 0.19%	0.70% 0.19%
12	CAWCD MEDIUM-TERM BARCLAYS CAPITAL US AGG. BOND INDEX	2.21% 1.74%	1.98% 1.69%	2.23% 2.24%
15	GADA LONG-TERM MERRILL 3-5 US BROAD MARKET EX CORP	1.56% 1.10%	1.84% 1.00%	2.33% 1.70%
16	ECDH MEDIUM-TERM BARCLAYS CAPITAL US AGG. BOND INDEX	1.71% 1.74%	1.81% 1.69%	N/A N/A

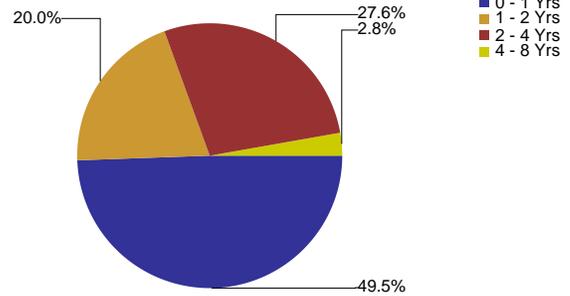
Manager Allocation - Daily Arizona State Treasury (05509) As of December 31, 2012

Pool Composite (00550904)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	1,039.83	20.4%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	2,222.05	43.6%
State of Arizona - Pool 3 (external US Banc) (17699900)	100.35	2.0%
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	1,100.60	21.6%
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	291.90	5.7%
State of Arizona - Pool 15 (GADA) (10327600)	12.31	0.2%
State of Arizona - Pool 16 (ECDH) (13074500)	331.98	6.5%
TOTAL	5,099.02	100.0%

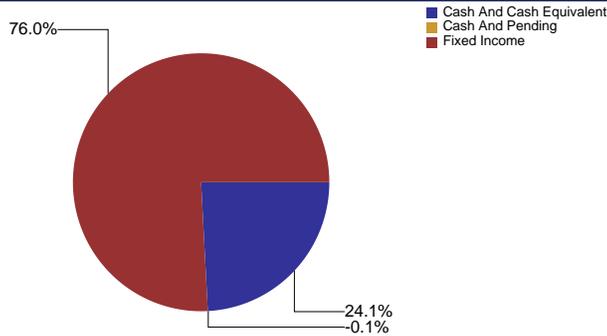


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,039.8
Weighted Average Life (Years) 1.61
Weighted Avg. Effective Duration (Years) 1.30
Weighted Average Rating AA+
Number of Holdings 102

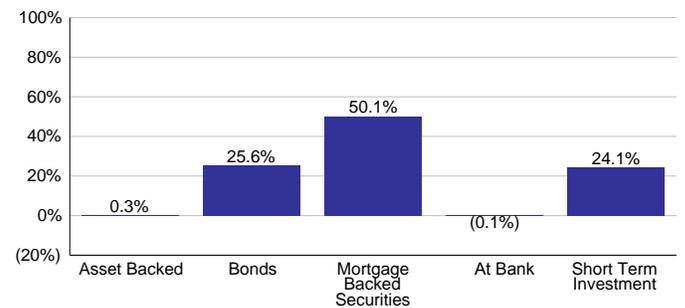
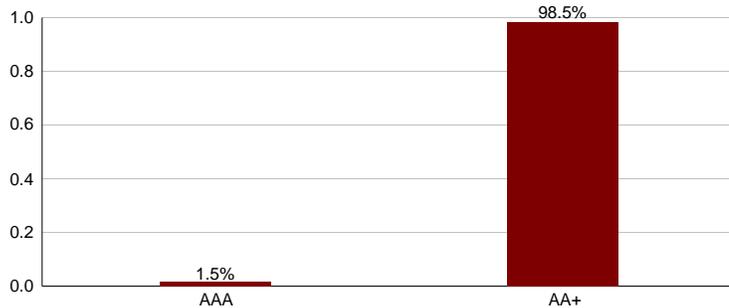


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
06099F964	TRI-PARTY REPO BANK OF AMERICA 0.14% 02/JAN/2013	12.87%	0.14	2/1/2013
65599C624	TRI-PARTY REPO NOMURA 0.20% 02/JAN/2013	4.96%	0.20	2/1/2013
60699L541	TRI-PARTY REPO MIZUHO 0.23% 08/JAN/2013	4.81%	0.23	8/1/2013
38375GHL8	GINNIE MAE 2012-84 LB 2.000% 16/MAY/2042	4.00%	2.00	16/5/2042
912828QH6	US 1.25000 '14	3.91%	1.25	15/2/2014
62889KAA9	NCUA GTD NTS MASTER TRUST 0% BDS 12/J	3.84%	0.23	12/6/2013
36179MAB6	GNMA II MORTPASS 3% 20/APR/2027 JM PN# MA0002	2.35%	3.00	20/4/2027
38378EGJ6	GINNIE MAE 2012-51 EA 1.500% 20/SEP/2040	2.34%	1.50	20/9/2040
38377WL77	GINNIE MAE 2011-94 AB 2.000% 20/JAN/2039	2.10%	2.00	20/1/2039
912828KV1	US 2.25000 '14	1.98%	2.25	31/5/2014

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

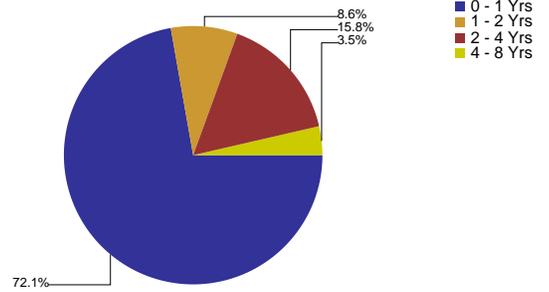


Portfolio Characteristics

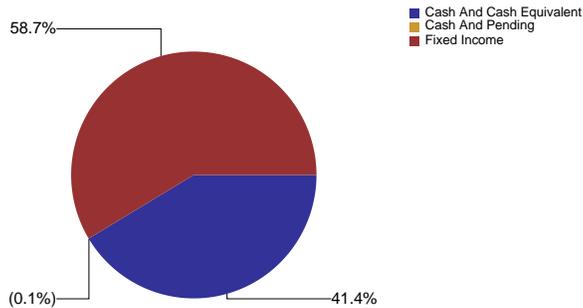
Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

2,322.4
1.36
0.86
AA
283

Duration Mix



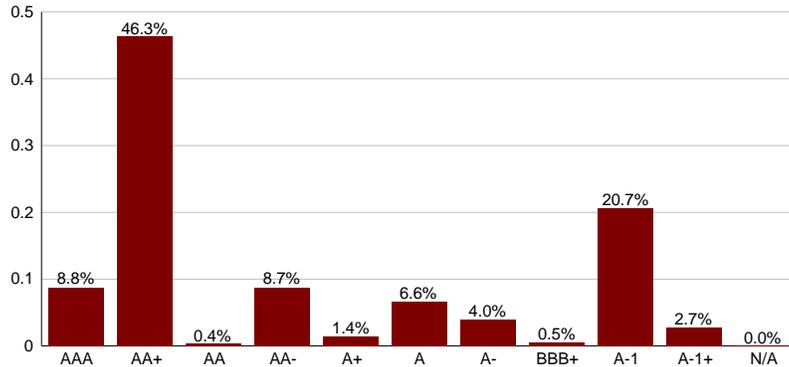
Asset Mix



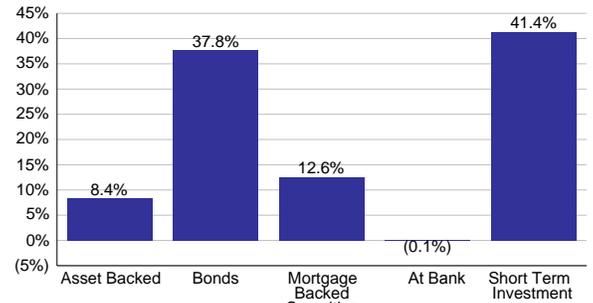
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299R739	TRI-PARTY REPO SOUTH STREET 0.35% 02/JAN/2013	7.94%	0.35	2/1/2013
852990X96	TRI-PARTY REPO SOUTH STREET 0.25% 02/JAN/2013	2.80%	0.25	2/1/2013
316999DG3	FIDELITY INVESTMENTS-MONEY MARKET PORTFOLIO SHARES	2.16%	0.18	1/2/2013
06538FFM1	BNK OF TKYO-MTBSHI L CERTIFICATE OF DEPOSIT FIXED	2.15%	0.23	2/7/2013
87019QME5	SWEDBANK (SPARBANK) CERTIFICATE OF DEPOSIT FIXED	1.95%	1.00	15/7/2013
45779PNA2	INSTITUTIONAL SECURED CORPORATE COMMERCIAL PAPER	1.94%	0.00	10/1/2013
74977MZ81	RABOBANK NEDERLAND CERTIFICATE OF DEPOSIT VARIABLE	1.72%	0.00	2/5/2013
52952LN24	LEXINGTN PKR CAP CO LL CORPORATE COMMERCIAL PAPER	1.72%	0.00	2/1/2013
62455ANG8	MOUNTCLIFF CORPORATE COMMERCIAL PAPER DISCOUNT DTD	1.72%	0.00	16/1/2013
52468JP40	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	1.72%	0.00	4/2/2013

Quality/Rating Weightings

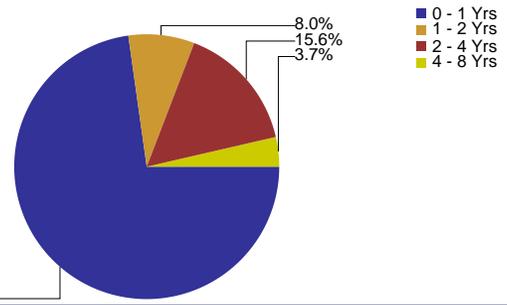


Sector Weightings (as % of Market Value)

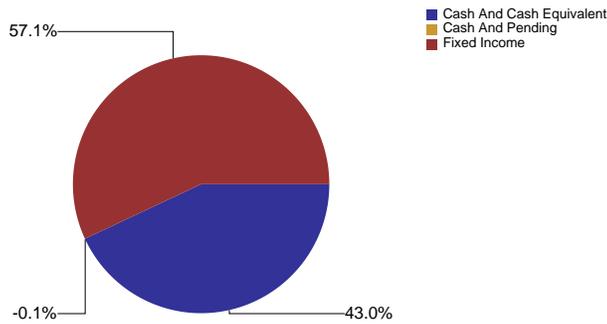


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) **2,222.0**
 Weighted Average Life (Years) **1.37**
 Weighted Avg. Effective Duration (Years) **0.85**
 Weighted Average Rating **AA**
 Number of Holdings **161**

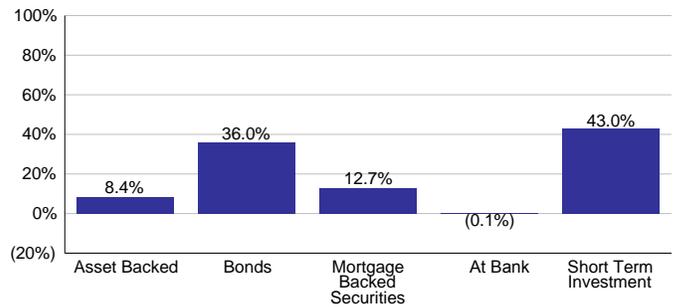
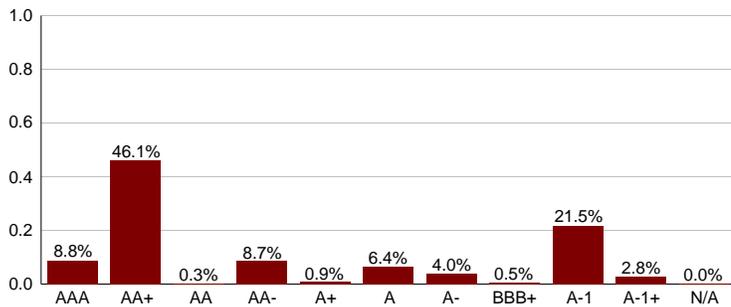


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299R739	TRI-PARTY REPO SOUTH STREET 0.35% 02/JAN/2013	8.30%	0.35	2/1/2013
852990X96	TRI-PARTY REPO SOUTH STREET 0.25% 02/JAN/2013	2.92%	0.25	2/1/2013
316999DG3	FIDELITY INVESTMENTS-MONEY MARKET PORTFOLIO SHARES	2.26%	0.10	1/2/2013
06538FFM1	BNK OF TKYO-MTBSHI L CERTIFICATE OF DEPOSIT FIXED	2.25%	0.23	27/2/2013
87019QME5	SWEDBANK (SPARBANK) CERTIFICATE OF DEPOSIT FIXED	2.03%	1.00	15/7/2013
45779PNA2	INSTITUTIONAL SECURED CORPORATE COMMERCIAL PAPER	2.02%	0.00	10/1/2013
74977MZ81	RABOBANK NEDERLAND CERTIFICATE OF DEPOSIT VARIABLE	1.80%	0.46	2/5/2013
52952LN24	LEXINGTN PKR CAP CO LL CORPORATE COMMERCIAL PAPER	1.80%	0.00	2/1/2013
62455ANG8	MOUNTCLIFF CORPORATE COMMERCIAL PAPER DISCOUNT DTD	1.80%	0.00	16/1/2013
52468JP40	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	1.80%	0.00	4/2/2013

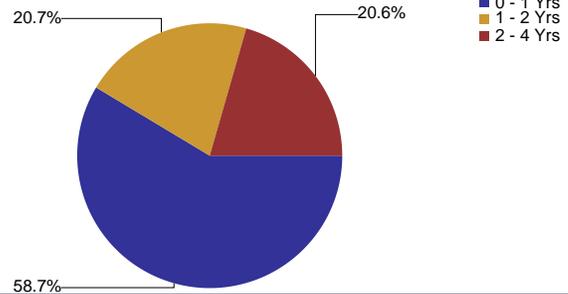
Quality/Rating Weightings Sector Weightings (as % of Market Value)



Portfolio Characteristics

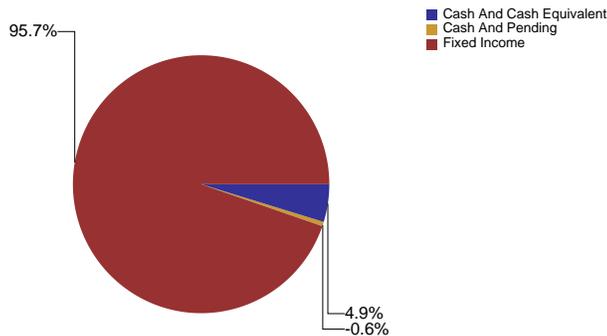
Duration Mix

Total Net Assets (Millions) **100.4**
 Weighted Average Life (Years) **1.06**
 Weighted Avg. Effective Duration (Years) **1.10**
 Weighted Average Rating **AA**
 Number of Holdings **122**



Asset Mix

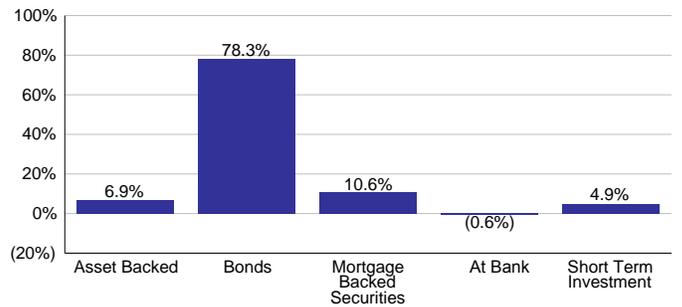
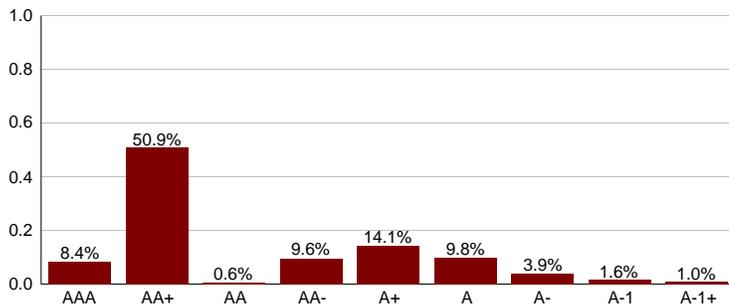
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
313379P60	FEDERAL HOME LOAN BANKS CONS BD FLT 13 25/NOV/2013	3.97%	0.00	25/11/2013
3135G0KS1	FEDERAL NATIONAL MORTGAGE ASSOC 0.56% NTS	2.48%	0.56	10/2/2015
3136G0CB5	FEDERAL NATL MTG ASSN CALL 0.71%15/APR/2015	2.48%	0.71	15/4/2015
3133EAXC7	FEDERAL FARM CR BKS CONS BD 0.57% 09/JUL/2015	2.48%	0.57	9/7/2015
3135G0KR3	FEDERAL NATIONAL MORTGAGE ASSOC 0.7% NTS	2.48%	0.70	15/5/2015
3133EARS9	FEDERAL FARM CR BKS CONS BD 0.38% 29/MAY/2014	2.48%	0.38	29/5/2014
3133EAZU5	FEDERAL FARM CREDIT BANKS 0.45% BDS 24/APR/2015	2.48%	0.45	24/4/2015
097014AH7	BOEING CAPITAL CORP 5.8% BDS 15/JAN/2013 USD1000	2.04%	5.80	15/1/2013
377372AC1	GLAXOSMITHKLINE CAPITAL 4.85% BDS 15/MAY/2013	2.03%	4.85	15/5/2013
12623MAC7	CNH EQUIPMENT TST 0.94% MTG BDS 15/MAY/2017 USD1	2.00%	0.94	15/5/2017

Quality/Rating Weightings

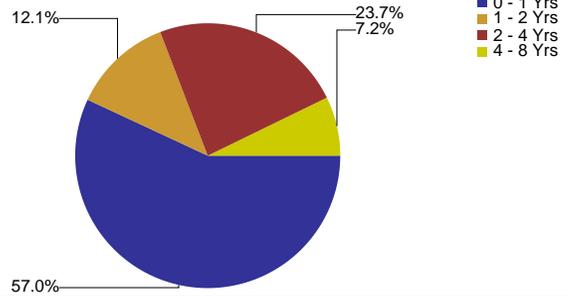
Sector Weightings (as % of Market Value)



Portfolio Characteristics

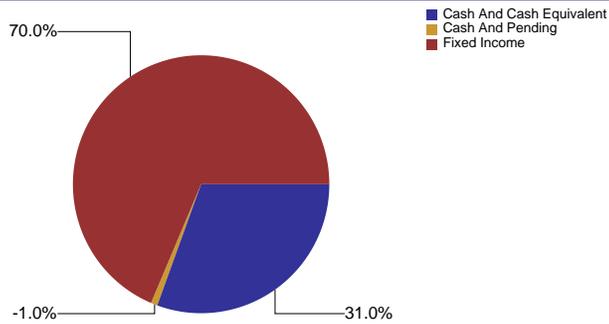
Duration Mix

Total Net Assets (Millions) **1,100.6**
 Weighted Average Life (Years) **1.69**
 Weighted Avg. Effective Duration (Years) **1.26**
 Weighted Average Rating **AA+**
 Number of Holdings **80**



Asset Mix

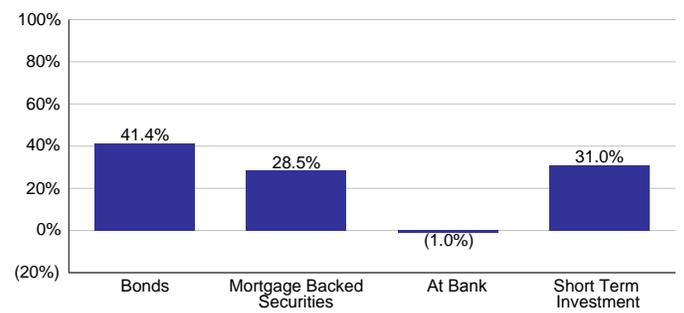
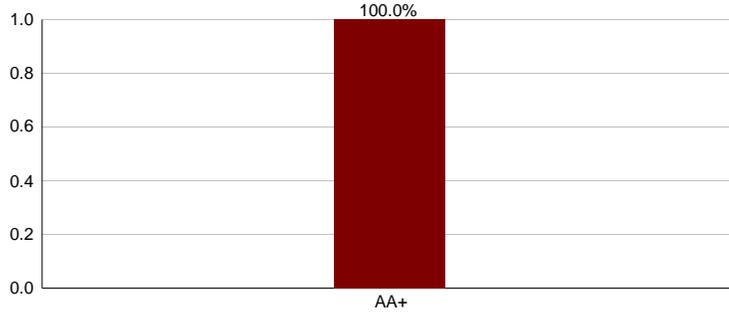
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299R739	TRI-PARTY REPO SOUTH STREET 0.35% 02/JAN/2013	9.78%	0.35	2/1/2013
852990X96	TRI-PARTY REPO SOUTH STREET 0.25% 02/JAN/2013	9.00%	0.25	2/1/2013
85299R747	TRI-PARTY REPO SOUTH STREET 0.30% 02/JAN/2013	6.30%	0.30	2/1/2013
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 15/JAN/2013	4.99%	0.30	15/1/2013
3135G0KF9	FEDERAL NATIONAL MORTGAGE ASSOC 1.5% NTS	4.06%	1.50	17/4/2017
3133EAJF6	FEDERAL FARM CR BKS CONS BD FLT 15 22/SEP/2015	2.70%	0.24	22/9/2015
3137AUBR9	FREDDIE MAC 4111 AG 1.750% 15/AUG/2039	2.66%	1.75	15/8/2039
3134G3A42	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 14/AUG/2017	2.26%	1.00	14/8/2017
3132GSCE7	FHLMCGLD MORTPASS 3.5% 01/MAR/2042 Q0 PN# Q06969	2.26%	3.50	1/3/2042
3137ARV78	FREDDIE MAC 4079 AH 2.000% 15/JUL/2027	2.12%	2.00	15/7/2027

Quality/Rating Weightings

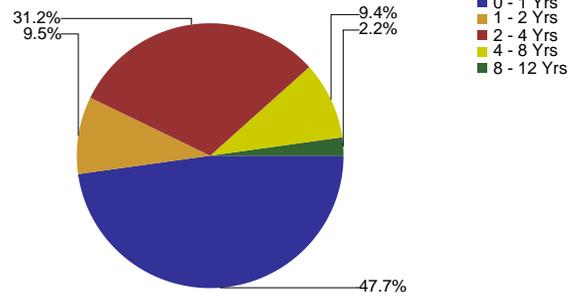
Sector Weightings (as % of Market Value)



Portfolio Characteristics

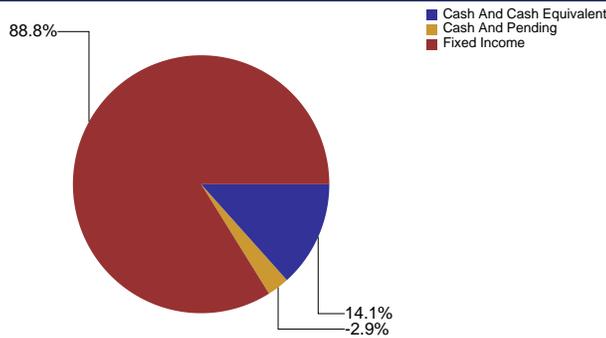
Duration Mix

Total Net Assets (Millions) **291.9**
 Weighted Average Life (Years) **2.83**
 Weighted Avg. Effective Duration (Years) **1.86**
 Weighted Average Rating **AA**
 Number of Holdings **118**



Asset Mix

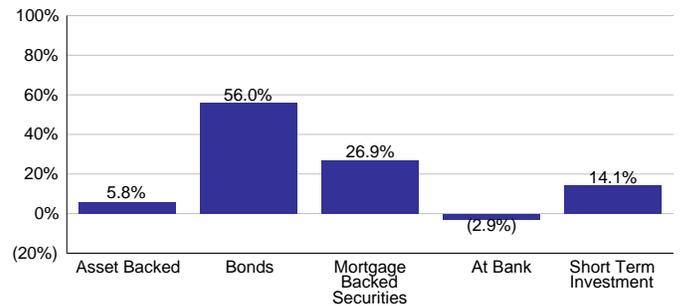
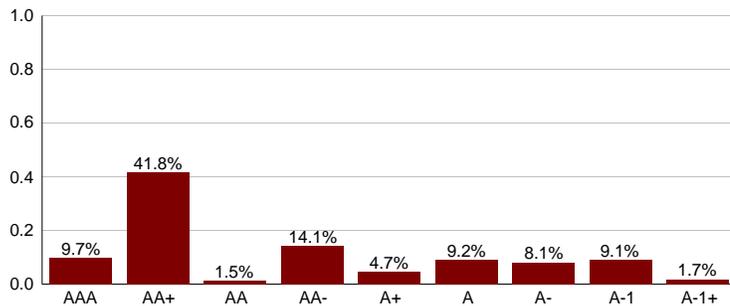
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
191216AN0	COCA-COLA CO 0.75% SNR NTS 15/NOV/2013 USD1000	2.68%	0.75	15/11/2013
3133EAJR0	FEDERAL FARM CR BKS CONS BD 1.99% 26/MAR/2018	2.35%	1.99	26/3/2018
3136A9LG1	FANNIE MAE 2012-114 GB 1.750% 25/MAR/2040	2.34%	1.75	25/3/2040
65409RN48	NIEUW AMSTERDAM RECV CORPORATE COMMERCIAL PAPER	2.16%	0.00	4/1/2013
928989466	JP MORGAN PRIME MMF AGENCY SHARES	1.88%	0.00	31/12/2049
92343VAY0	VERIZON COMMUNICATIONS INC 3% BDS 01/APR/2016	1.78%	3.00	1/4/2016
41068KN46	HANNOVER FDG CO, LLC CORPORATE COMMERCIAL PAPER	1.73%	0.00	4/1/2013
3128HXS7	FHLMC GOLD MORTPASS 2.5% 15/AUG/2042 PN# S05928	1.70%	2.50	15/8/2042
78008TXB5	ROYAL BANK OF CANADA FRN 30/OCT/2014 USD1000	1.68%	1.01	30/10/2014
89233P6S0	TOYOTA MOTOR CREDIT CORP 1.25% BDS 05/OCT/2017	1.68%	1.25	5/10/2017

Quality/Rating Weightings

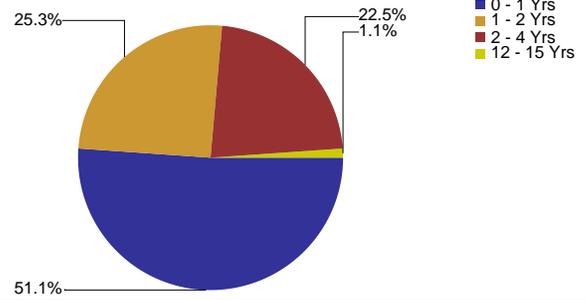
Sector Weightings (as % of Market Value)



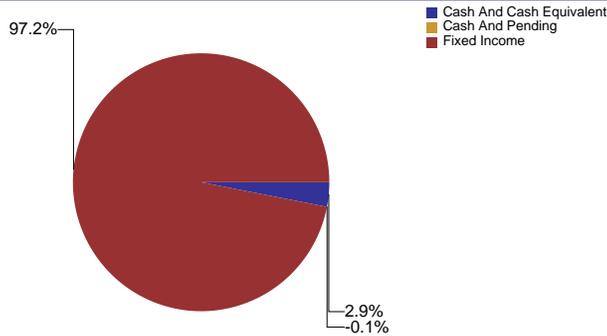
Portfolio Characteristics

Total Net Assets (Millions) **12.3**
 Weighted Average Life (Years) **3.38**
 Weighted Avg. Effective Duration (Years) **1.24**
 Weighted Average Rating **AA+**
 Number of Holdings **25**

Duration Mix



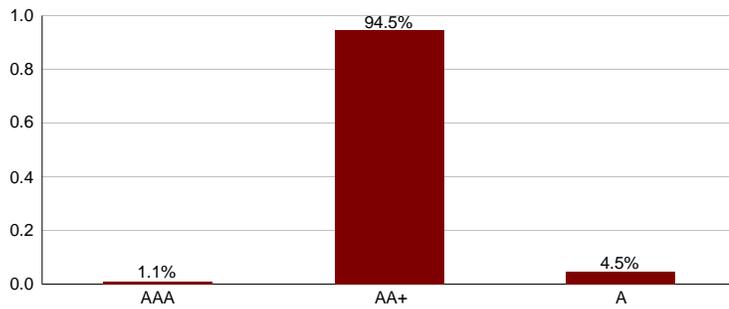
Asset Mix



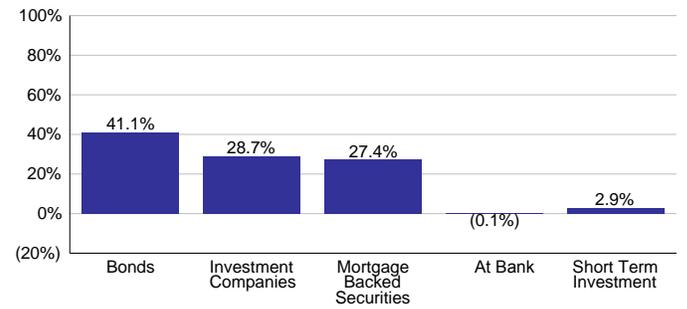
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539998153	LOCAL GOV INVS POOL 4	16.22%	0.00	2/1/2013
A41995373	LOCAL GOV INVS POOL 700	12.43%	0.00	2/1/2013
3133EAX29	FEDERAL FARM CR BKS CONS BD 0.98% 18/SEP/2017	8.15%	0.98	18/9/2017
3136FTN70	FEDERAL NATL MTG ASSN CALL 3%28/NOV/2025	6.13%	3.00	28/11/2025
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2014 USD1000	4.44%	6.95	15/3/2014
3137A7HC7	FREDDIE MAC 3800 KE 3.500% 15/FEB/2026	4.34%	3.50	15/2/2026
3134G24S8	FEDERAL HOME LN MTG CORP CALL 2.25%14/NOV/2018	4.13%	2.25	14/11/2018
316999DG3	FIDELITY INVESTMENTS-MONEY MARKET PORTFOLIO SHARES	4.07%	0.10	2/1/2013
3138ASYU0	FNMA MORTPASS 3% 01/OCT/2026 CI PN# AJ1622	3.87%	3.00	1/10/2026
31294KTB1	FEDERAL HOME LN MTG CORP GOLD POOL # EO1446 DTD	3.50%	4.50	1/9/2018

Quality/Rating Weightings



Sector Weightings (as % of Market Value)

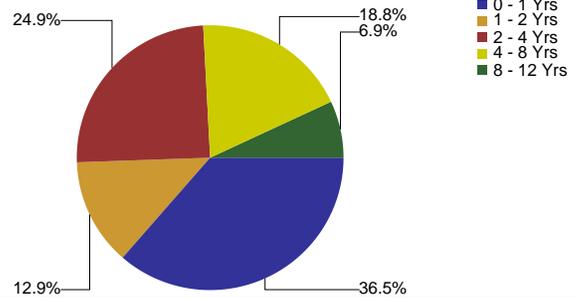


Portfolio Characteristics

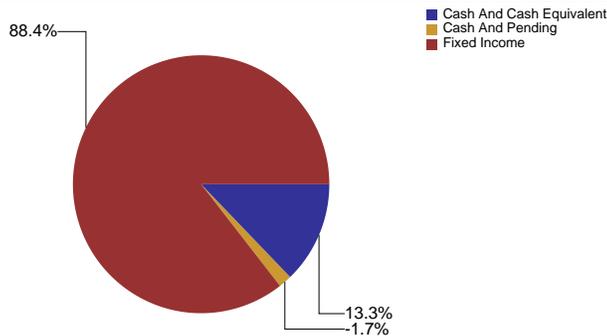
Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

332.0
2.48
2.55
AA
88

Duration Mix



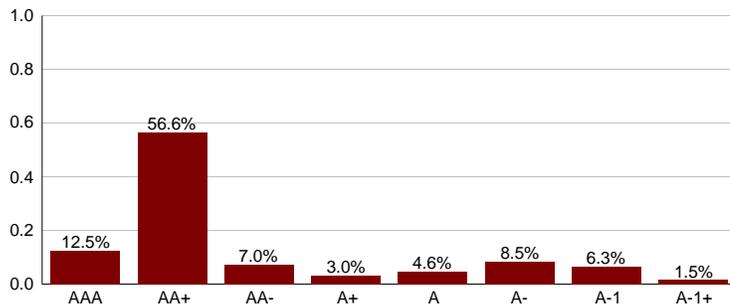
Asset Mix



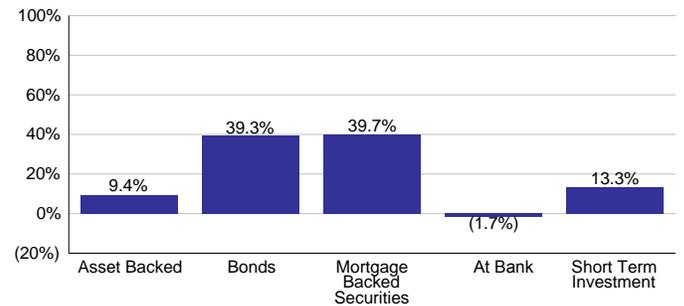
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137ATR20	FREDDIE MAC 4097 VH 1.500% 15/OCT/2041	4.22%	1.50	15/10/2041
85299R739	TRI-PARTY REPO SOUTH STREET 0.35% 02/JAN/2013	3.26%	0.35	2/1/2013
3137APUK4	FREDDIE MAC 4045 HP 3.500% 15/MAY/2042	3.12%	3.50	15/5/2042
3128HXW76	FHLMC GOLD MORTPASS 3.00% 15/AUG/2042 POOL#S06070	3.08%	3.00	15/8/2042
63534PAH0	NATIONAL CITY BANK(CLEVELAND) FLTG RATE NTS	2.03%	0.68	7/6/2017
31398NY24	FANNIE MAE 2010-123B PM 4.000% 25/JUL/2040	1.99%	4.00	25/7/2040
3133EAJR0	FEDERAL FARM CR BKS CONS BD 1.99% 26/MAR/2018	1.93%	1.99	26/3/2018
41068KNA2	HANNOVER FDG CO. LLC CORPORATE COMMERCIAL PAPER	1.78%	0.00	10/1/2013
31398T7A3	FANNIE MAE 2010-113 LV 4.000% 25/JUN/2030	1.68%	4.00	25/6/2030
3137AL2X6	FREDDIE MAC 3990 BH 3.500% 15/JAN/2032	1.68%	3.50	15/1/2032

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



OPERATING MONIES
AVERAGE INVESTED BALANCE

Through December 31, 2012

(in millions of dollars)

<u>Month</u>	<u>Fiscal Year</u> <u>2010/2011</u>	<u>Fiscal Year</u> <u>2011/2012</u>	<u>Fiscal Year</u> <u>2012/2013</u>
JULY	1,077	1,209	1,817
AUGUST	761	818	1,475
SEPTEMBER	590	744	1,420
OCTOBER	358	668	1,205
NOVEMBER	570	858	1,316
DECEMBER	592	979	1,464
JANUARY	835	1,511	
FEBRUARY	863	1,501	
MARCH	802	1,373	
APRIL	1,002	1,725	
MAY	1,128	2,036	
JUNE	1,358	2,331	
Y-T-D			
Average	\$828	\$1,313	\$1,449
Budget Stabilization Average Fund Balance - December			<u>\$452</u>
Total Average Cash Available - December			\$1,916

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
DECEMBER 2012**

Distributed in Current Month

Recipient	DECEMBER 2012	Fiscal YTD 12/13	Fiscal YTD 11/12
-----	-----	-----	-----
101 A & M Colleges	\$13,923	\$83,540	\$130,642
102 State Hospital	\$8,107	\$48,641	\$72,399
103 Leg., Exec., & Jud.	\$11,841	\$71,048	\$107,262
104 Military Institute	\$860	\$5,159	\$7,608
105 Miners Hospital	\$20,736	\$124,414	\$173,301
107 Normal School ASU/NAU	\$5,067	\$30,405	\$44,636
108 Penitentiaries	\$22,867	\$137,200	\$172,072
109 Permanent Common School	\$4,456,288	\$26,737,725	\$38,479,094
110 School for Deaf & Blind	\$7,377	\$44,264	\$64,086
111 School of Mines	\$16,212	\$97,272	\$148,278
112 State Charitable-Pioneers Home	\$71,865	\$431,190	\$673,346
112 State Charitable-Corrections	\$35,933	\$215,595	\$336,673
112 State Charitable-Youth Treatment	\$35,933	\$215,595	\$336,673
113 University Fund	\$26,441	\$158,643	\$236,779
114 U of A Land - 1881	\$58,053	\$348,318	\$505,758
	-----	-----	-----
Total	\$4,791,502	\$28,749,011	\$41,488,606
	=====	=====	=====

Posted in USAS in current month

**ENDOWMENT FUNDS
 PORTFOLIO YIELD ANALYSIS
 DECEMBER 31, 2012**

NET EARNINGS

FUND	DESCRIPTION	Current Month 12/31/12	Prior Month 11/30/12	Prior Year 12/31/11
205	ENDOWMENTS - FIXED INCOME	\$4,048,862	\$3,941,143	\$3,687,894

YIELDS

<u>MONTHLY</u>	Current Month 12/31/12	Prior Month 11/30/12	Prior Year 12/31/11
205 ENDOWMENTS - FIXED INCOME	5.88%	5.76%	5.56%

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Dec-12 NET GAIN(LOSS)	Dec-11 NET GAIN(LOSS)
-----	-----	-----
Fixed Income Pool	241,784	(264,447)
Equity Pool (500)	536,431	(2,777,610)
Equity Pool (400)	693,085	5,914,032
Equity Pool (600)	952,958	339,858
Totals	2,424,258	3,211,833
	=====	=====

Endowment Fund	2012/2013 FISCAL YEAR TO DATE GAINS(LOSSES)	2011/ 2012 FISCAL YEAR TO DATE GAINS(LOSSES)
-----	-----	-----
Fixed Income Pool	1,456,913	478,632
Equity Pool (500)	2,416,303	(2,450,319)
Equity Pool (400)	6,701,560	13,336,335
Equity Pool (600)	2,663,044	8,653
Totals	13,237,820	11,373,301
	=====	=====

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

State Treasurer's Report
 January 22, 2013
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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>
FHLB	1.63	12/11/2015	N/A	\$2,775,000	\$2,874,297	0.43%	Aaa/AA+
FHLB	1.63	12/9/2016	N/A	\$10,000,000	\$10,407,931	0.60%	Aaa/AA+
FNMA MTG	4.52	6/1/2021	6.26	\$4,981,933	\$5,837,748	2.30%	Aaa/AA+
FNMA MTG	0.68	11/1/2020	7.84	\$4,085,000	\$4,126,353	0.56%	Aaa/AA+
FNMA MTG	2.00	1/25/2028	5.47	\$5,000,000	\$5,163,750	1.37%	Aaa/AA+
US TREAS	1.25	9/30/2015	N/A	\$2,500,000	\$2,570,105	0.34%	Aaa/AA+
US TREAS	1.25	10/31/2015	N/A	\$5,000,000	\$5,135,990	0.36%	Aaa/AA+
US TREAS	1.38	11/30/2015	N/A	\$5,000,000	\$5,152,535	0.36%	Aaa/AA+
US TREAS	0.25	12/15/2015	N/A	\$5,000,000	\$4,983,362	0.37%	Aaa/AA+
US TREAS	0.75	12/31/2017	N/A	\$5,000,000	\$5,004,492	0.73%	Aaa/AA+
US TREAS	1.00	11/30/2019	N/A	\$2,500,000	\$2,469,107	1.19%	Aaa/AA+
US TREAS	1.00	11/30/2019	N/A	\$5,000,000	\$4,957,658	1.14%	Aaa/AA+
US TREAS	3.13	5/15/2021	N/A	\$2,500,000	\$2,836,516	1.45%	Aaa/AA+
US TREAS	1.63	11/15/2022	N/A	\$2,500,000	\$2,469,817	1.77%	Aaa/AA+
US TREAS	6.88	8/15/2025	N/A	\$2,500,000	\$3,908,895	2.02%	Aaa/AA+
US TREAS	6.00	2/15/2026	N/A	\$2,500,000	\$3,668,372	2.10%	Aaa/AA+
US TREAS	5.25	11/15/2028	N/A	\$2,500,000	\$3,462,551	2.37%	Aaa/AA+

TOTAL ENDOWMENT FUNDS PURCHASES	-----	-----	
	\$69,341,933	\$75,029,481	
	-----	-----	

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 December 2012

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I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	375,952	\$12,086,490	\$2,569
S&P 500 Large-Cap Fund	397,755	\$18,934,628	\$2,926
S&P 600 Small-Cap Fund	403,434	\$8,628,064	\$3,019
TOTAL EQUITY PURCHASES	1,177,141	\$39,649,183	\$8,514

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	63,265	\$2,661,468	\$475
S&P 500 Large-Cap Fund	150,473	\$5,604,749	\$1,129
S&P 600 Small-Cap Fund	136,680	\$5,268,991	\$761
TOTAL EQUITY SALES	350,417	\$13,535,208	\$2,364

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
DECEMBER 31, 2012
(In Thousands)

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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
101	A & M Colleges					
	<i>Shares in Equity Pools</i>	553	3,822	5,916	2,094	
	<i>Shares in Fixed Income Pools</i>	3,978	2,496	4,044	1,549	
	Total	4,531	6,318	9,961	3,643	1.577
102	State Hospital					
	<i>Shares in Equity Pools</i>	353	2,445	3,775	1,330	
	<i>Shares in Fixed Income Pools</i>	2,412	1,600	2,452	852	
	Total	2,765	4,044	6,227	2,182	1.540
103	Leg., Exec. & Jud					
	<i>Shares in Equity Pools</i>	448	3,347	4,797	1,450	
	<i>Shares in Fixed Income Pools</i>	3,451	2,194	3,508	1,314	
	Total	3,899	5,540	8,305	2,765	1.499
104	Military Institute					
	<i>Shares in Equity Pools</i>	30	215	317	101	
	<i>Shares in Fixed Income Pools</i>	234	140	238	97	
	Total	263	356	554	199	1.559
105	Miners Hospital					
	<i>Shares in Equity Pools</i>	1,100	8,857	11,774	2,918	
	<i>Shares in Fixed Income Pools</i>	7,588	5,873	7,714	1,841	
	Total	8,688	14,730	19,489	4,759	1.323
107	Normal School ASU/NAU					
	<i>Shares in Equity Pools</i>	205	1,506	2,195	689	
	<i>Shares in Fixed Income Pools</i>	1,483	987	1,508	521	
	Total	1,688	2,493	3,703	1,210	1.485
108	Penitentiaries					
	<i>Shares in Equity Pools</i>	679	4,803	7,270	2,468	
	<i>Shares in Fixed Income Pools</i>	4,707	3,185	4,786	1,601	
	Total	5,387	7,988	12,056	4,068	1.509

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
 DECEMBER 31, 2012
 (In Thousands)

State Treasurer's Report
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NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
109 Permanent Common School					
<i>Shares in Equity Pools</i>	195,068	1,491,701	2,088,142	596,441	
<i>Shares in Fixed Income Pools</i>	1,379,771	999,104	1,402,676	403,571	
Total	1,574,839	2,490,805	3,490,818	1,000,013	1.401
110 School for Deaf & Blind					
<i>Shares in Equity Pools</i>	287	2,084	3,072	987	
<i>Shares in Fixed Income Pools</i>	2,141	1,369	2,176	807	
Total	2,428	3,454	5,248	1,794	1.520
111 School of Mines					
<i>Shares in Equity Pools</i>	618	4,575	6,620	2,045	
<i>Shares in Fixed Income Pools</i>	4,577	3,027	4,653	1,625	
Total	5,195	7,602	11,273	3,671	1.483
112 State Charitable					
<i>Shares in Equity Pools</i>	6,192	45,994	66,281	20,286	
<i>Shares in Fixed Income Pools</i>	43,062	30,873	43,777	12,904	
Total	49,253	76,867	110,057	33,190	1.432
113 University Fund					
<i>Shares in Equity Pools</i>	1,032	7,613	11,051	3,438	
<i>Shares in Fixed Income Pools</i>	7,616	5,014	7,742	2,728	
Total	8,648	12,627	18,793	6,166	1.488
114 U Of A Land - 1881					
<i>Shares in Equity Pools</i>	3,161	25,226	33,842	8,616	
<i>Shares in Fixed Income Pools</i>	22,963	16,850	23,345	6,494	
Total	26,125	42,076	57,187	15,111	1.359
TOTALS - ALL FUNDS					
<i>Shares in Equity Pools</i>	209,726	1,602,188	2,245,053	642,865	
<i>Shares in Fixed Income Pools</i>	1,483,982	1,072,712	1,508,617	435,905	
Grand Total	1,693,708	2,674,900	3,753,670	1,078,770	
PRIOR YEAR:					
DECEMBER 2011 BALANCES	1,655,350	2,513,328	3,236,287	722,959	

Note: Prior Year Shares Outstanding adjusted due to 7/01/12 combining of equity pool shares and fixed income pool shares.

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
DECEMBER 31, 2012**

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ASSET ALLOCATION PERCENTAGE

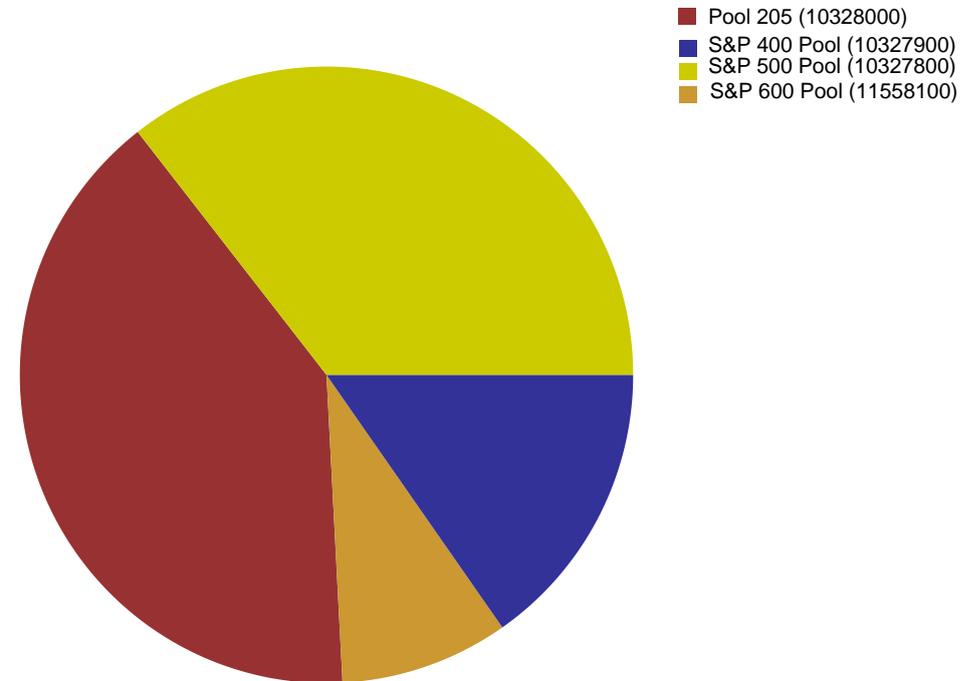
	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	DECEMBER 2011 MARKET VALUE
<i>Shares in Equity Pools</i>	12.38%	59.90%	59.81%	56.73%
<i>Shares in Fixed Income Pools</i>	87.62%	40.10%	40.19%	43.27%
	-----	-----	-----	-----
Total	100.00%	100.00%	100.00%	100.00%
	=====	=====	=====	=====

Performance Worksheet
Arizona State Treasury (05509)
As of December 2012
 Primary - US Dollar

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	1,314,935,128.01	1,335,494,718.84	8,432,637	0.91	(0.38)	15.98	5.92	15.98	10.88	1.75	1.51	07/01/1999
10327900	S&P 400 Pool	560,697,281.35	576,618,945.50	3,613,987	2.18	3.62	18.02	9.25	18.02	13.39	4.38	7.65	08/01/2001
10328000	Pool 205	1,500,866,761.38	1,508,617,326.58	9,637,299	(0.13)	0.22	3.88	1.75	3.88	5.00	5.40	5.91	07/01/1999
11558100	S&P 600 Pool	319,971,818.93	332,938,856.06	2,409,325	3.29	2.24	16.44	7.79	16.44			6.54	03/01/2011
00550902	Total Endowment Fund Composite	3,696,470,989.67	3,753,669,846.98	24,093,248	0.89	0.70	11.11	4.85	11.11	8.51	4.21	5.32	07/01/1999

Manager Allocation - Daily
Arizona State Treasury (05509)
 As of December 31, 2012

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,508.62	40.2%
S&P 400 Pool (10327900)	576.62	15.4%
S&P 500 Pool (10327800)	1,335.49	35.6%
S&P 600 Pool (11558100)	332.94	8.9%
TOTAL	3,753.67	100.0%



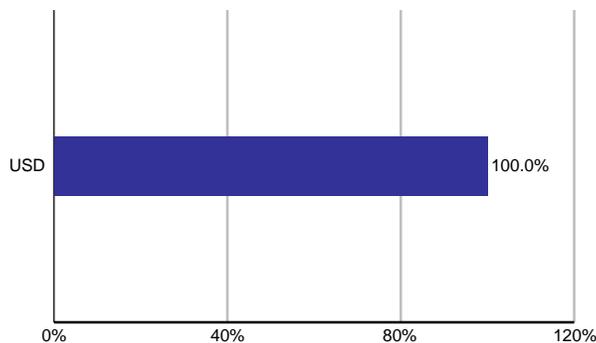
Portfolio Characteristics

			Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Total Asset Value (in Millions)	1,335.5					
P/E Ratio	15.61	Tracking Error	0.04	0.05	0.16	1.64
Price to Book Ratio	2.36	Information Ratio	(0.46)	0.04	0.47	(0.38)
Dividend Yield (%)	2.19	Std Deviation of Port.	10.51	15.27	18.97	15.99
Return on Equity (%)	60.13	Std Deviation of Bench.	10.52	15.30	19.04	15.87
Sales Growth (%)	7.46	Sharpe Ratio of Port.	1.51	0.71	0.07	(0.06)
Market Capitalization (\$ Millions)	102,344.84	Sharpe Ratio of Bench.	1.51	0.70	0.06	(0.02)
Earnings per Share (\$)	5.72	R-Squared	1.00	1.00	1.00	0.99
Number of Holdings	500	Jensen's Alpha	(0.01)	0.03	0.09	(0.65)

Top Ten Portfolio Holdings

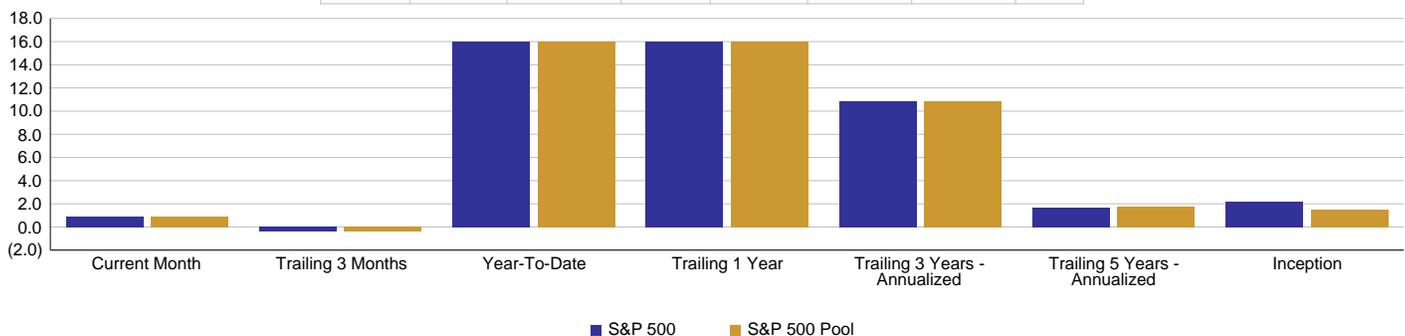
Security ID	Security Name	% of Assets
037833100	APPLE INC - COM NPV	3.79%
78462F103	SPDR S&P 500 ETF TRUST	3.60%
30231G102	EXXON MOBIL CORP - COM NPV	2.98%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.68%
166764100	CHEVRON CORP - COM USD3	1.60%
459200101	INTL BUSINESS MACHINES CORP - COM USD.2	1.54%
594918104	MICROSOFT CORP - COM USD.00000625	1.53%
478160104	JOHNSON & JOHNSON - COM USD1	1.47%
00206R102	AT&T INC - COM USD1	1.45%
38259P508	GOOGLE INC - CL A COM USD.001	1.43%

Top Ten Currency Weights

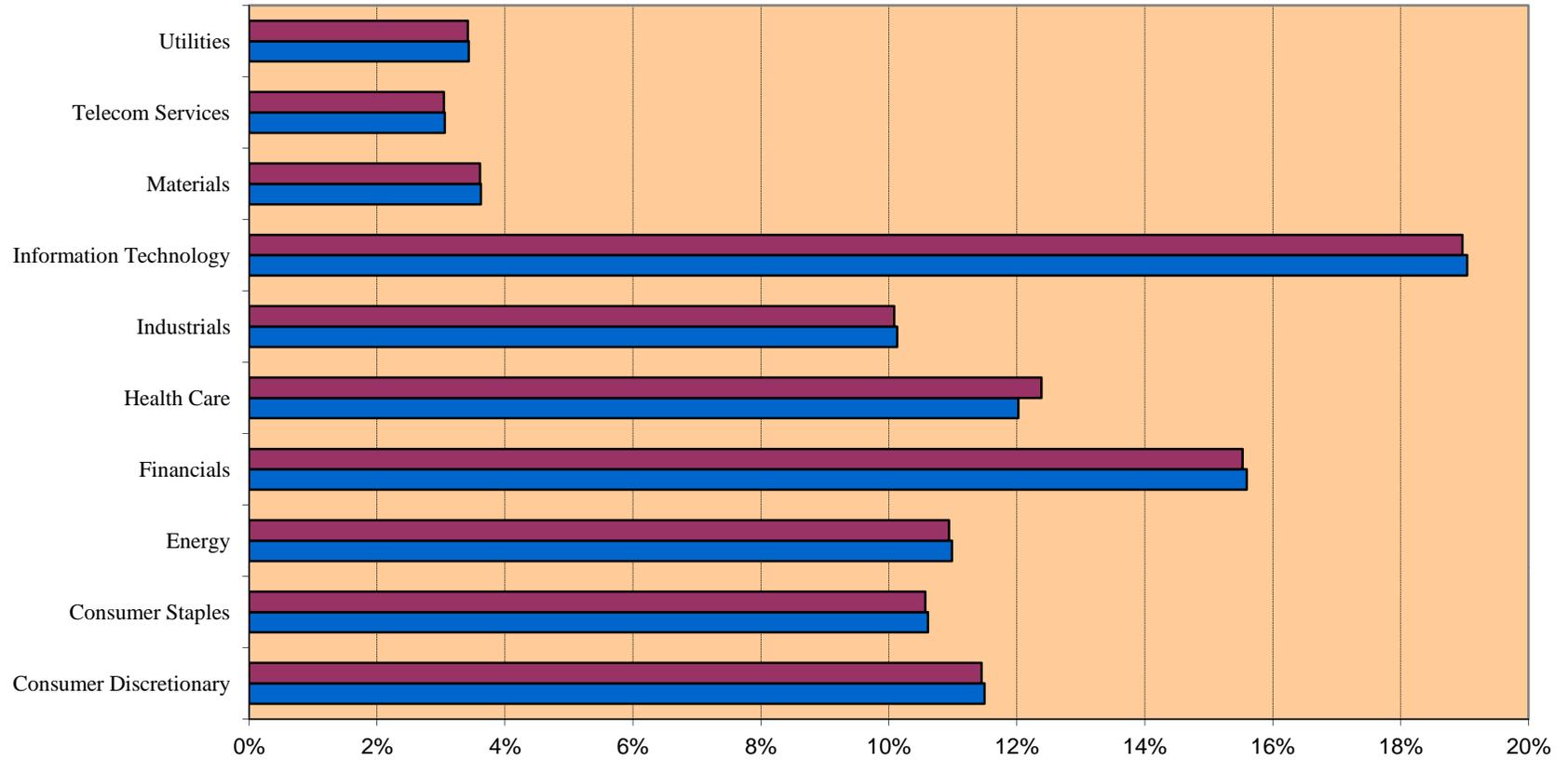


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	0.91	(0.38)	15.98	15.98	10.88	1.75	1.51
S&P 500	0.91	(0.38)	16.00	16.00	10.87	1.66	2.16
Excess	(0.00)	(0.00)	(0.02)	(0.02)	0.01	0.09	(0.65)



**STATE OF ARIZONA
POOL 201 (S&P 500)
As of December 31, 2012**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 500 Index	11.45%	10.57%	10.94%	15.53%	12.38%	10.08%	18.96%	3.61%	3.05%	3.42%
■ STATE OF ARIZONA - POOL 201	11.50%	10.61%	10.99%	15.60%	12.03%	10.13%	19.04%	3.62%	3.06%	3.44%

S&P 500 Index
 STATE OF ARIZONA - POOL 201

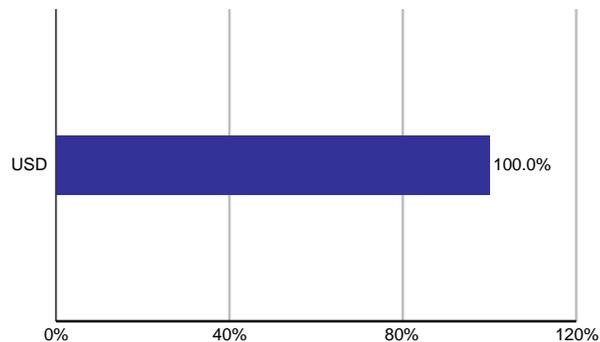
Portfolio Characteristics

Total Asset Value (in Millions)	576.6	Trailing 1 Year	0.05	Trailing 3 Years	0.37	Trailing 5 Years	1.96	Since Inception	2.01
P/E Ratio	20.22	Information Ratio	2.25		(0.63)		(0.45)		(0.09)
Price to Book Ratio	2.10	Std Deviation of Port.	11.16		18.04		22.03		17.37
Dividend Yield (%)	1.43	Std Deviation of Bench.	11.19		18.16		22.70		18.29
Return on Equity (%)	13.47	Sharpe Ratio of Port.	1.60		0.74		0.18		0.33
Sales Growth (%)	6.54	Sharpe Ratio of Bench.	1.59		0.74		0.20		0.32
Market Capitalization (\$ Millions)	3,981.56	R-Squared	1.00		1.00		0.99		0.99
Earnings per Share (\$)	2.54	Jensen's Alpha	0.19		(0.15)		(0.61)		0.31
Number of Holdings	402								

Top Ten Portfolio Holdings

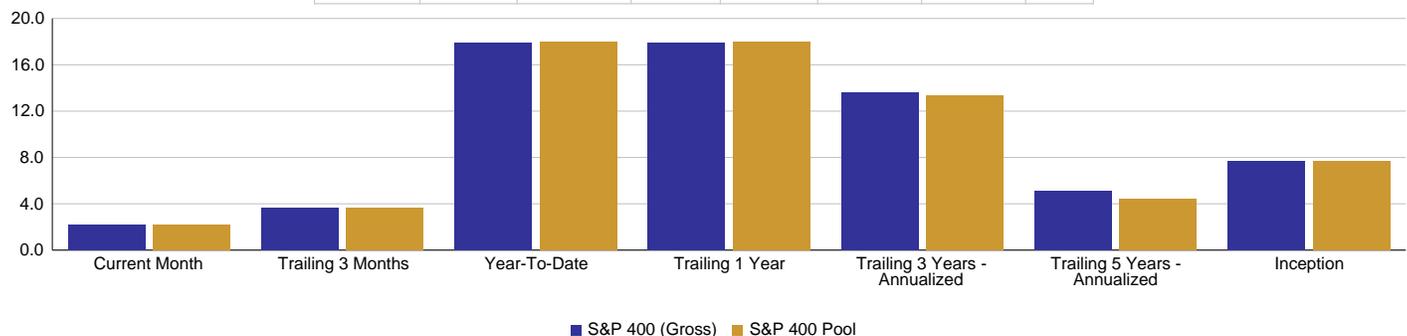
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	4.78%
75886F107	REGENERON PHARMACEUT - COM USD.001	1.03%
29444U502	EQUINIX INC - COM USD.001	0.80%
436106108	HOLLYFRONTIER CORP - COM USD.01	0.75%
485170302	KANSAS CITY SOUTHERN - COM NPV	0.73%
031100100	AMETEK INC - COM USD1	0.73%
92532F100	VERTEX PHARMACEUTICALS INC - COM USD.01	0.73%
750086100	RACKSPACE HOSTING INC - COM USD.001	0.65%
554382101	MACERICH CO - COM USD.01	0.64%
693656100	PVH CORP - COM USD1	0.63%

Top Ten Currency Weights

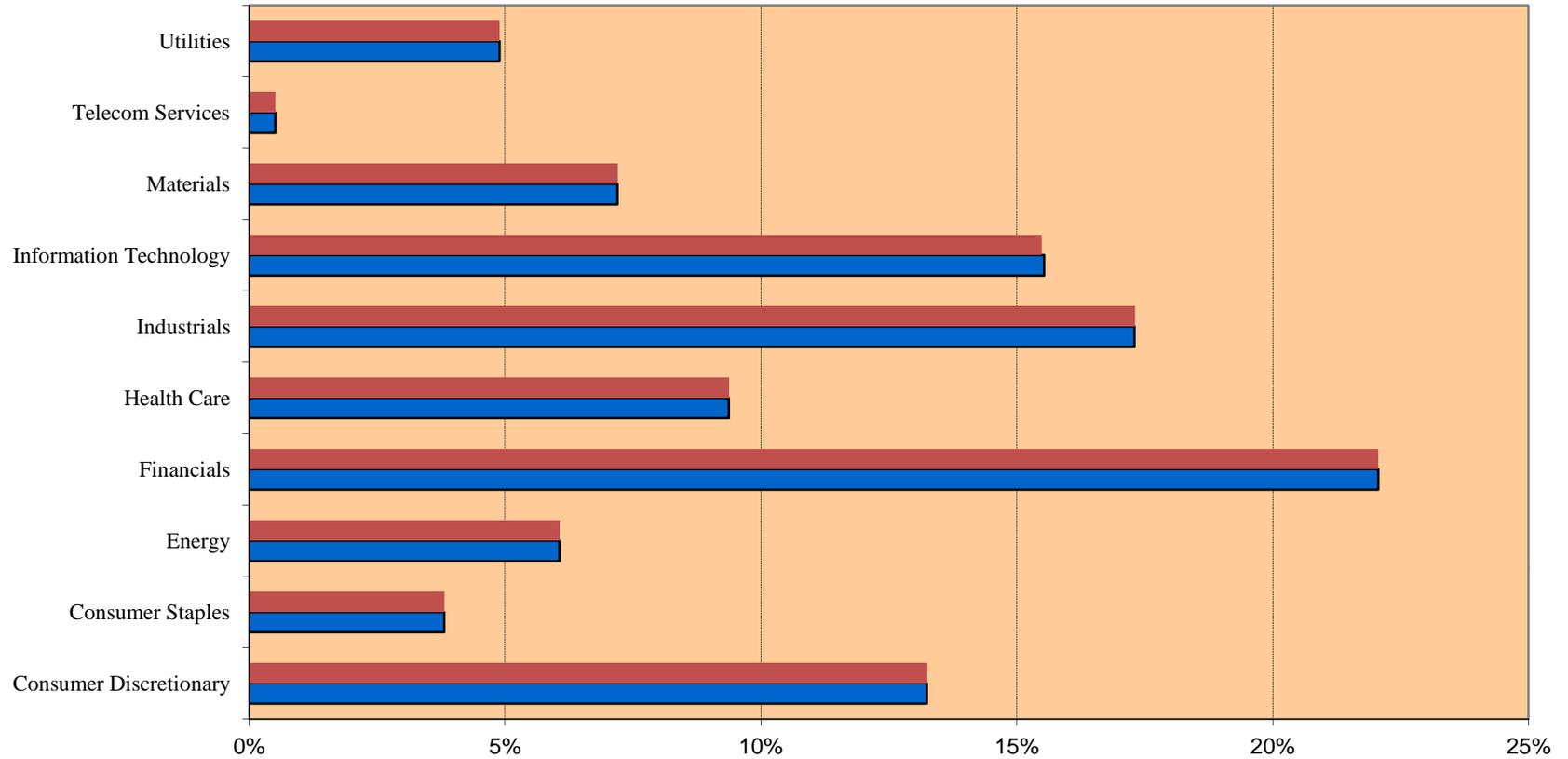


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	2.18	3.62	18.02	18.02	13.39	4.38	7.65
S&P 400 (Gross)	2.19	3.61	17.88	17.88	13.62	5.15	7.67
Excess	(0.00)	0.01	0.14	0.14	(0.24)	(0.76)	(0.01)



**STATE OF ARIZONA
POOL 203 (S&P MIDCAP 400)
As of December 31, 2012**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P MIDCAP 400	13.26%	3.82%	6.07%	22.06%	9.38%	17.31%	15.49%	7.21%	0.51%	4.90%
■ STATE OF ARIZONA - POOL 203	13.24%	3.81%	6.07%	22.07%	9.37%	17.30%	15.54%	7.20%	0.51%	4.89%



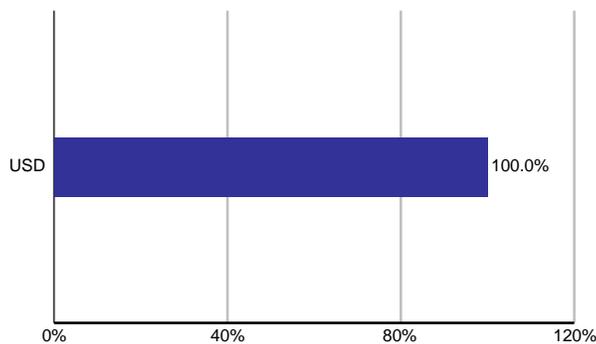
Portfolio Characteristics

			Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Total Asset Value (in Millions)	332.9					
P/E Ratio	24.31	Tracking Error	0.05	-	-	0.09
Price to Book Ratio	1.90	Information Ratio	2.12	-	-	(0.35)
Dividend Yield (%)	1.23	Std Deviation of Port.	11.87	-	-	17.90
Return on Equity (%)	12.11	Std Deviation of Bench.	11.91	-	-	17.94
Sales Growth (%)	6.83	Sharpe Ratio of Port.	1.38	-	-	0.36
Market Capitalization (\$ Millions)	1,310.19	Sharpe Ratio of Bench.	1.36	-	-	0.36
Earnings per Share (\$)	1.54	R-Squared	1.00	-	-	1.00
Number of Holdings	601	Jensen's Alpha	0.17	-	-	(0.01)

Top Ten Portfolio Holdings

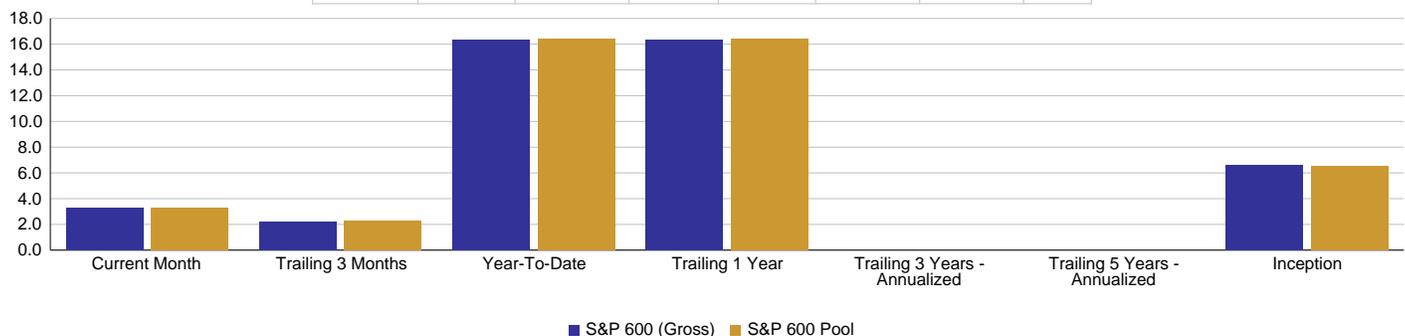
Security ID	Security Name	% of Assets
464287804	ISHARES TRUST CORE S&P SMALL-CAP ETF	3.91%
30225T102	EXTRA SPACE STORAGE INC - COM USD.01	0.69%
49427F108	KILROY REALTY CORP - COM USD.01	0.66%
875465106	TANGER FACTORY OUTLET CTRS - COM USD.01	0.60%
204166102	COMMVault SYSTEMS INC - COM USD.01	0.55%
232572107	CYMER INC - COM USD.001	0.52%
59522J103	MID-AMERICA APT CMNTY'S INC - COM USD.01	0.51%
737464107	POST PROPERTIES INC - COM USD.01	0.51%
26969P108	EAGLE MATERIALS INC - COM USD1	0.51%
229678107	CUBIST PHARMACEUTICALS INC - COM USD.001	0.50%

Top Ten Currency Weights

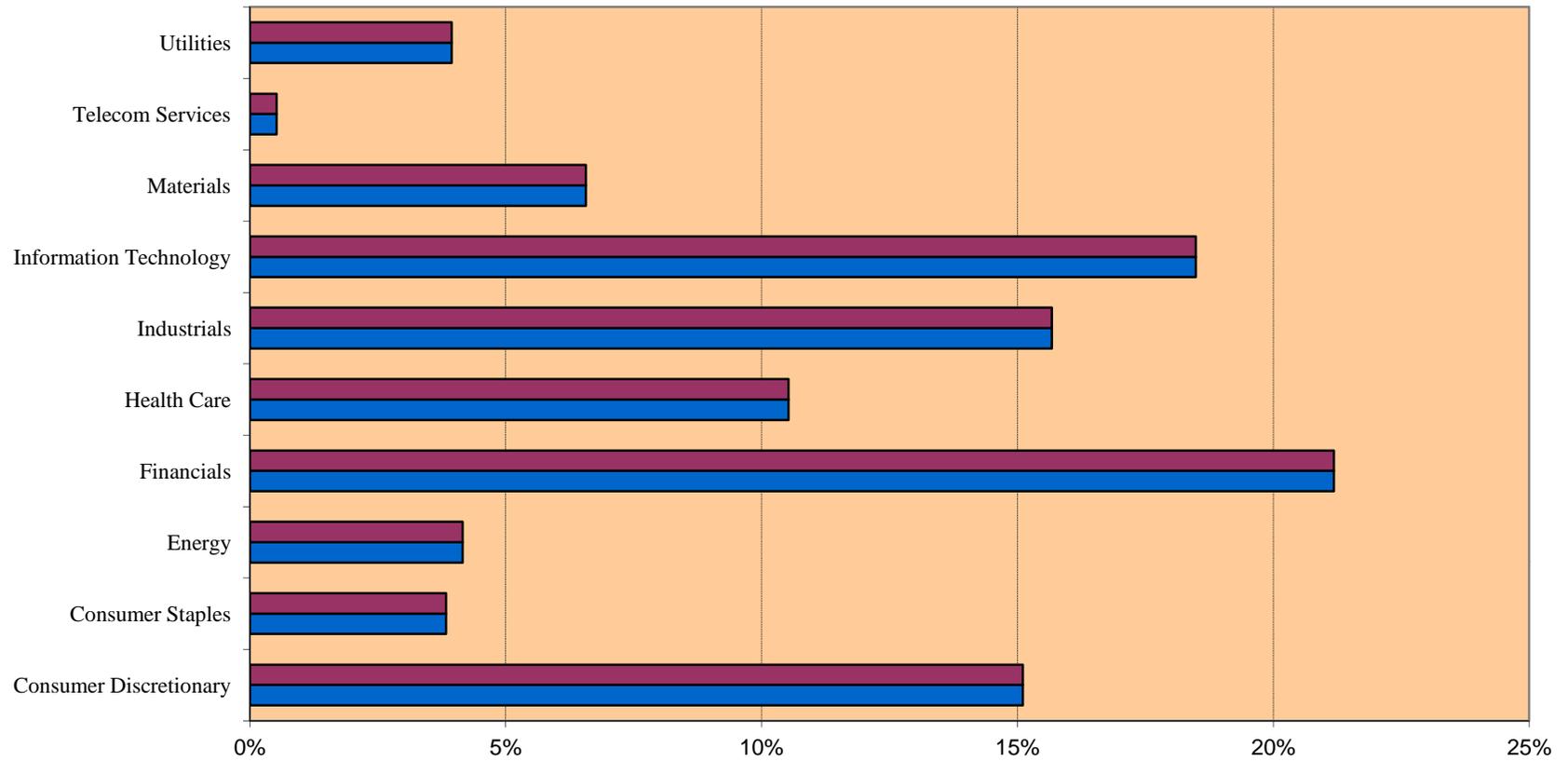


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 600 Pool	3.29	2.24	16.44	16.44			6.54
S&P 600 (Gross)	3.30	2.22	16.33	16.33			6.57
Excess	(0.02)	0.03	0.12	0.12	(0.00)	(0.00)	(0.03)



**STATE OF ARIZONA
POOL 204 (S&P 600 Index)
As of December 31, 2012**



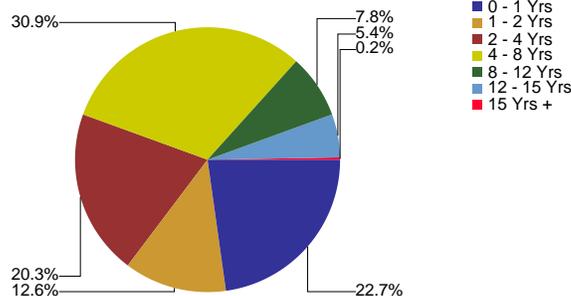
	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 600 Index	15.10%	3.83%	4.16%	21.18%	10.53%	15.68%	18.49%	6.57%	0.52%	3.94%
■ STATE OF ARIZONA - POOL 204	15.11%	3.83%	4.16%	21.18%	10.52%	15.68%	18.49%	6.57%	0.52%	3.94%



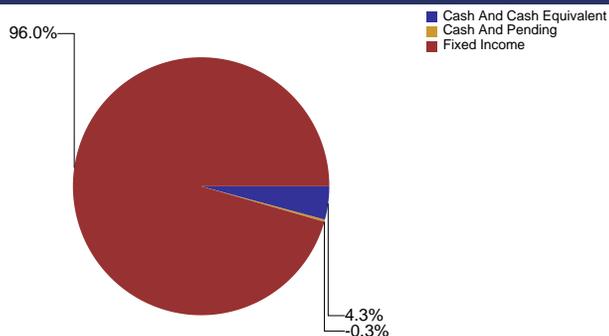
Portfolio Characteristics

Total Net Assets (Millions) 1,508.6
Weighted Average Life (Years) 5.64
Weighted Avg. Effective Duration (Years) 4.13
Weighted Average Coupon (%) 4.05
Weighted Average Current Yield (%) 0.04
Weighted Average Yield to Maturity (%) 0.06
Weighted Average Rating AA
Number of Holdings 261

Duration Mix



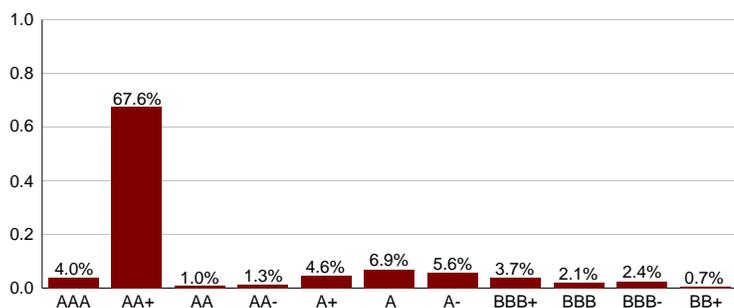
Asset Mix



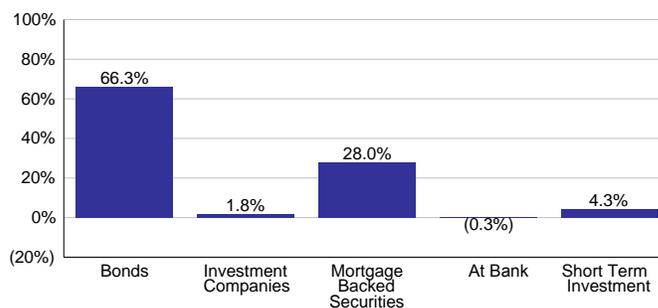
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	4.23%	0.00	31/12/2049
539998765	LOCAL GOV INVS POOL 500	1.38%	0.00	2/1/2013
31359MQV8	FEDERAL NATIONAL MORTGAGE ASSOC 4.75% BDS	1.35%	4.75	21/2/2013
912810FA1	USA TREASURY BDS6.375% BDS 15/AUG/2027 USD1000	1.02%	6.38	15/8/2027
912810ED6	US 8.12500 '19	0.98%	8.12	15/8/2019
20825CAP9	CONOCOPHILLIPS 5.9% BDS 15/MAY/2038 USD1000	0.87%	5.90	15/5/2038
740816AD5	PRESIDENT & FELLOWS HARVARD COLLEGE 5.625% BDS	0.86%	5.62	1/10/2038
3137AF2R2	FREDDIE MAC 3920 AC 2.500% 15/SEP/2041	0.83%	2.50	15/9/2041
92343VAM6	VERIZON COMMUN 6.1% NTS 15/APR/2018 USD1000	0.82%	6.10	15/4/2018
59562VAT4	MIDAMERICAN ENERGY HLDGS 5.75% SNR NTS 01/APR/2018	0.81%	5.75	1/4/2018

Quality/Rating Weightings

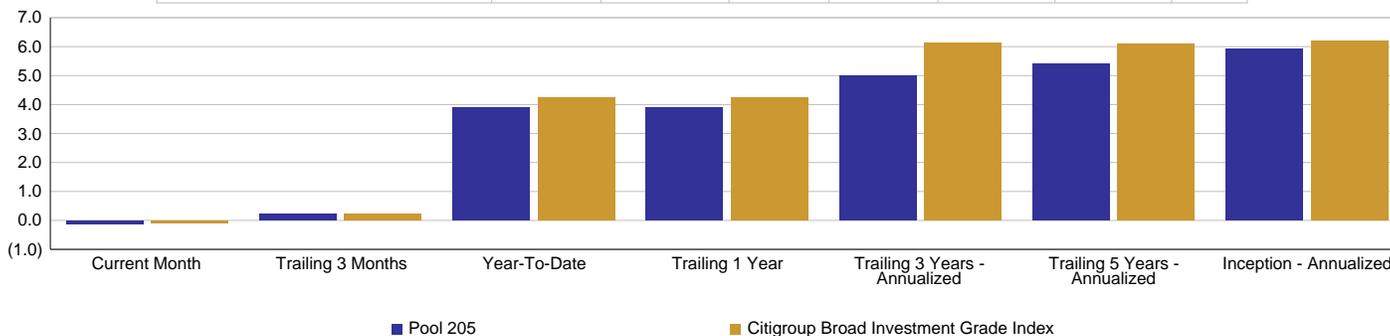


Sector Weightings (as % of Market Value)



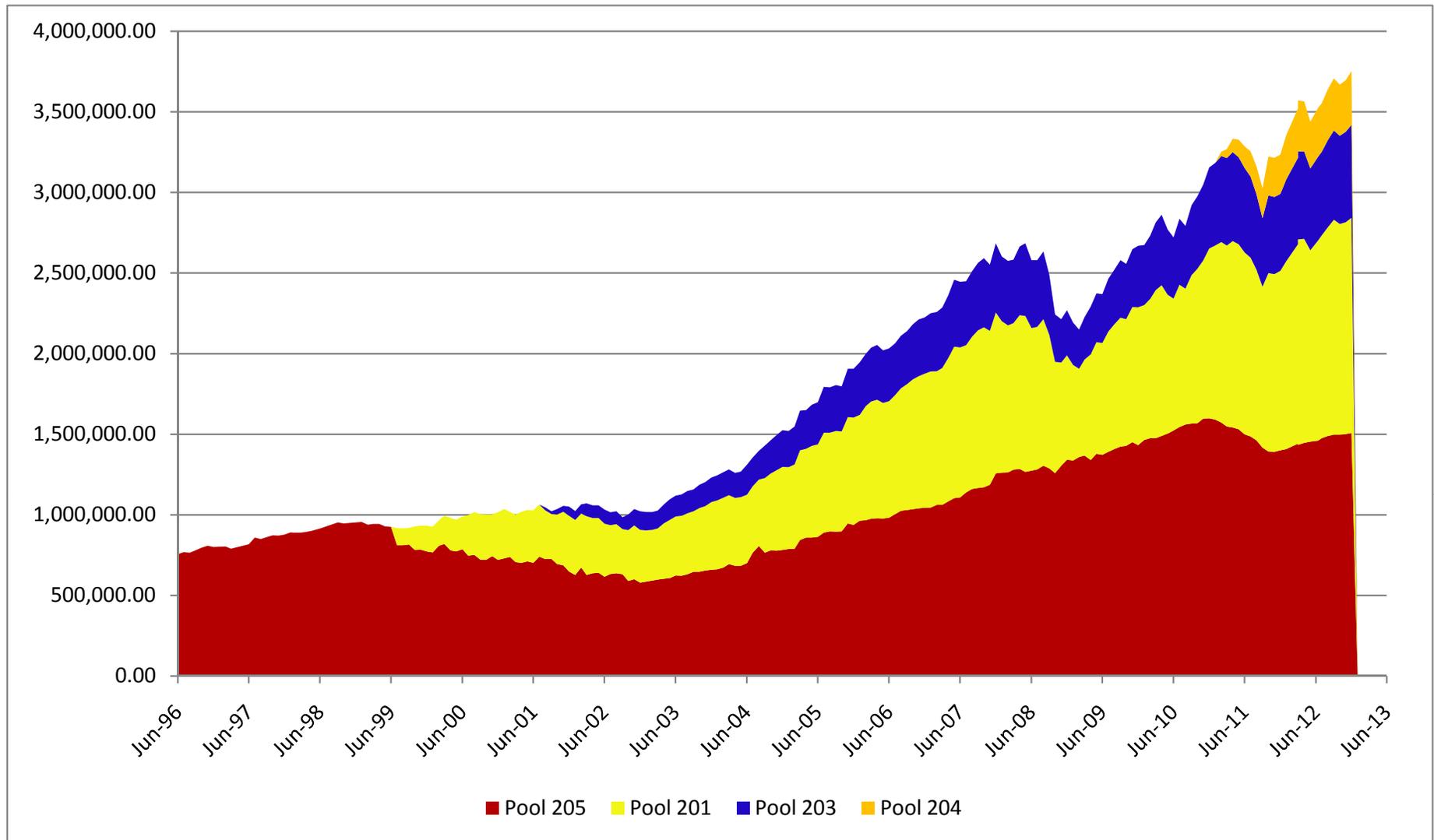
Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	(0.13)	0.22	3.88	3.88	5.00	5.40	5.91
Citigroup Broad Investment Grade Index	(0.08)	0.23	4.22	4.22	6.12	6.09	6.19
Excess	(0.05)	(0.00)	(0.34)	(0.34)	(1.12)	(0.69)	(0.28)



Thousands

Endowment Fund Market Value

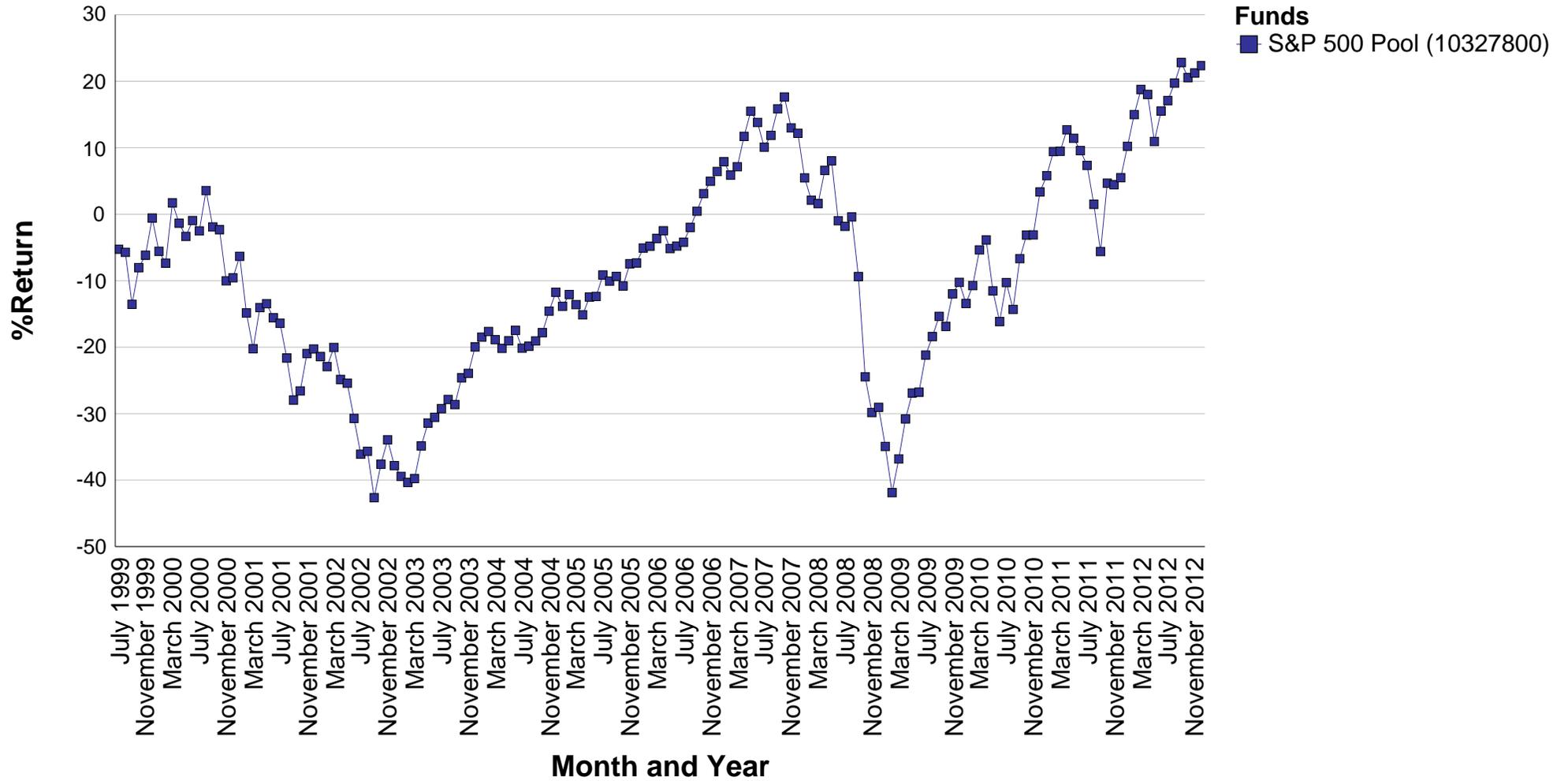


Performance Growth by Account

Arizona State Treasury (05509)

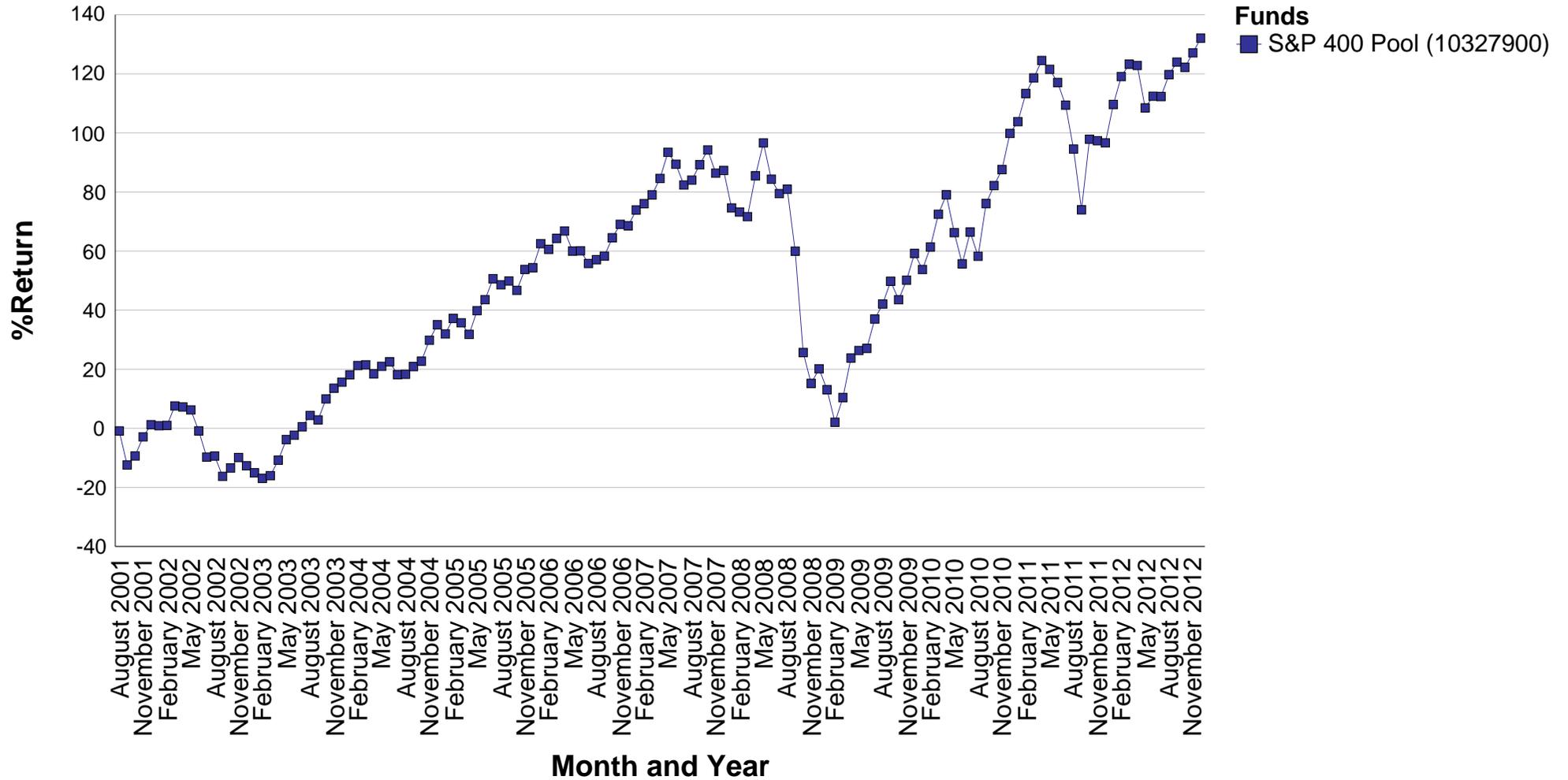
From July 1999 to December 2012

Gross of Fee



Performance Growth by Account

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

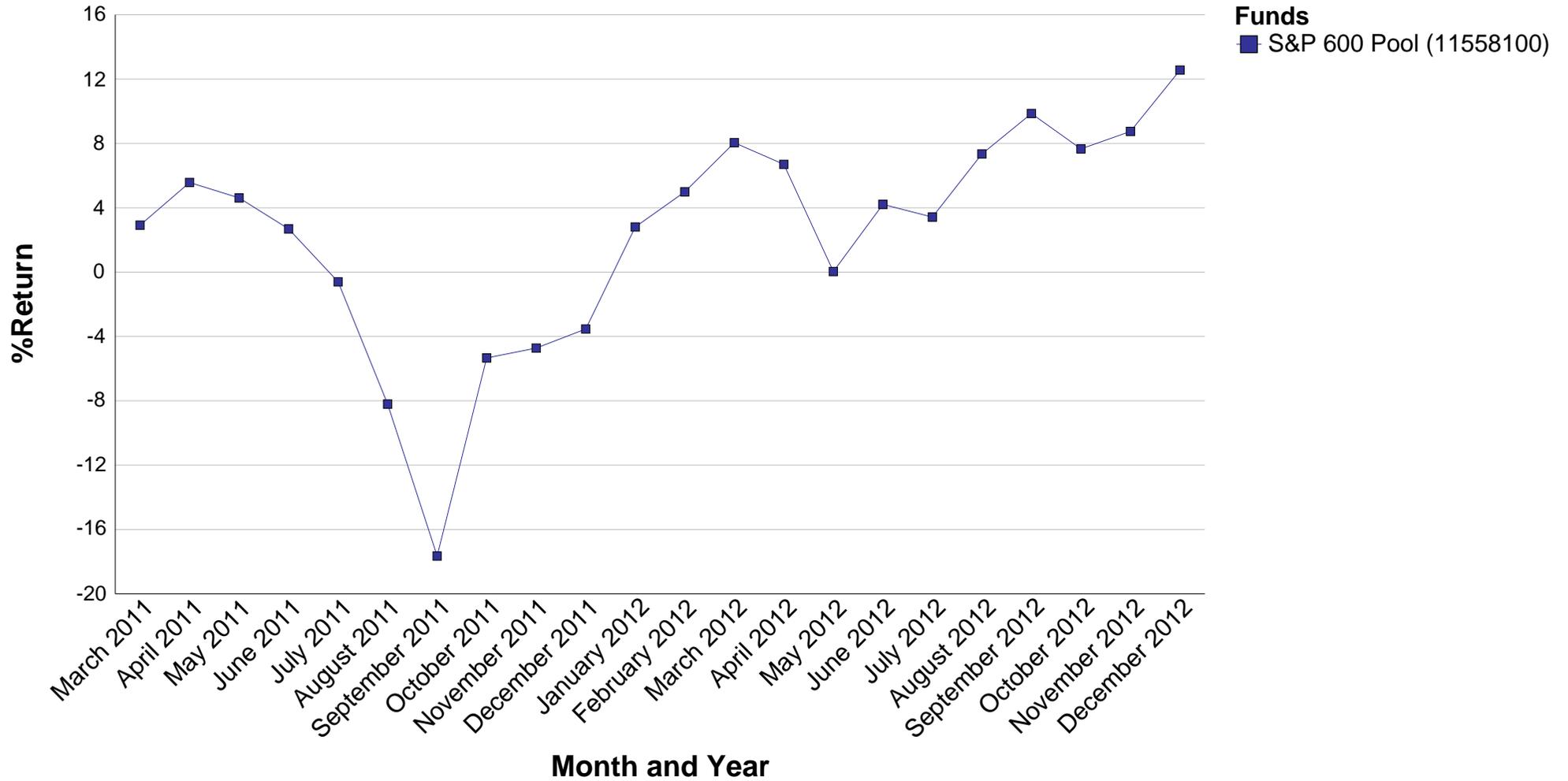


Performance Growth by Account

Arizona State Treasury (05509)

From March 2011 to December 2012

Gross of Fee

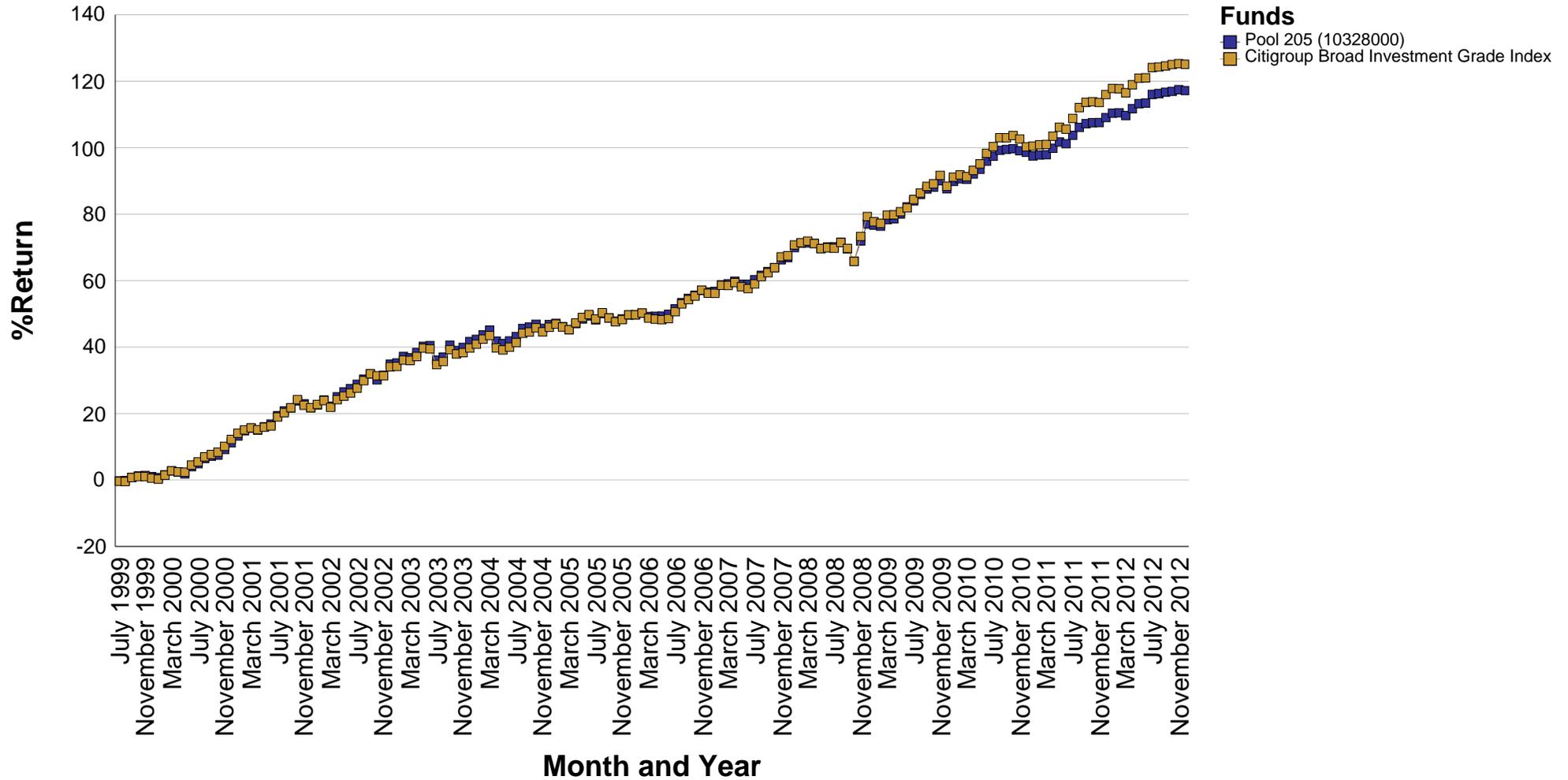


Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to December 2012

Gross of Fee



BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 4, 12, 15, 16
OCTOBER 1 - DECEMBER 31, 2012

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
BA SECURITIES INC.				
	REPO	9,414,854,147	34.56%	28.70%
	COMMERCIAL PAPER	156,119,420	21.12%	0.48%
	CORP ABS	14,000,000	100.00%	0.04%
BARCLAYS CAPITAL INC.				
	COMMERCIAL PAPER	102,460,763	13.86%	0.31%
	CORP NOTES	30,971,231	31.31%	0.09%
	US TREAS	22,721,620	43.04%	0.07%
BNP PARIBAS				
	USA-MBS	10,519,497	1.87%	0.03%
CANTOR FITZGERALD				
	COMMERCIAL PAPER	49,961,500	6.76%	0.15%
	US-AGENCY	19,975,000	14.46%	0.06%
	USA-MBS	34,762,631	6.17%	0.11%
CITIGROUP				
	COMMERCIAL PAPER	198,821,945	26.89%	0.61%
	USA-MBS	19,529,716	3.46%	0.06%
FIRST TENNESSEE				
	CD'S	50,000,000	61.20%	0.15%
	US-AGENCY	87,172,070	63.10%	0.27%
	USA-MBS	30,094,336	5.34%	0.09%
	US TREAS	30,069,893	56.96%	0.09%
GOLDMAN SACHS				
	USA-MBS	36,518,892	6.48%	0.11%

BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 4, 12, 15, 16
OCTOBER 1 - DECEMBER 31, 2012

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
JEFFRIES CO.				
	USA-MBS	11,676,606	2.07%	0.04%
JP MORGAN CHASE				
	MONEY-MARKET	180,822,206	100.00%	0.55%
	REPO SWEEP	3,689,465,620	100.00%	11.25%
	CD'S	31,705,792	38.80%	0.10%
	COMMERCIAL PAPER	72,049,652	9.74%	0.22%
MIZUHO SECURITIES				
	REPO	655,000,000	2.40%	2.00%
	COMMERCIAL PAPER	39,997,067	5.41%	0.12%
MORGAN STANLEY CAP				
	CORP NOTES	15,000,000	15.17%	0.05%
NOMURA SECURITIES				
	REPO	2,234,434,137	8.20%	6.81%
RAYMOND JAMES				
	CORP NOTES	2,000,000	2.02%	0.01%
	US-AGENCY	19,998,692	14.48%	0.06%
RBC DAIN RAUSCHER				
	COMMERCIAL PAPER	119,945,739	16.22%	0.37%
	CORP NOTES	20,000,000	20.22%	0.06%
ROBERT W BAIRD				
	USA-MBS	341,272,966	60.53%	1.04%

BROKER ACTIVITY REPORT
STATE AGENCY FUNDS 2, 3, 4, 12, 15, 16
OCTOBER 1 - DECEMBER 31, 2012

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
<i>SOUTH STREET</i>				
	REPO	14,939,136,267	54.84%	45.54%
<i>STERNE AGEE AND LEACH</i>				
	CORP NOTES	10,956,744	11.08%	0.03%
	USA-MBS	19,960,522	3.54%	0.06%
<i>STIFEL NICOLAUS</i>				
	US-AGENCY	10,995,455	7.96%	0.03%
<i>UBS PAINE WEBBER</i>				
	CORP NOTES	19,982,150	20.20%	0.06%
	USA-MBS	3,182,376	0.56%	0.01%
<i>WELLS FARGO</i>				
	USA-MBS	56,333,291	9.99%	0.17%

BROKER ACTIVITY REPORT
POOL 5 - L.G.I.P.
OCTOBER 1 - DECEMBER 31, 2012

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
BA SECURITIES INC.				
	REPO	1,070,473,828	5.30%	2.54%
	COMMERCIAL PAPER	59,003,256	14.16%	0.14%
BARCLAYS CAPITAL INC.				
	COMMERCIAL PAPER	36,483,824	8.76%	0.09%
CANTOR FITZGERALD				
	COMMERCIAL PAPER	9,992,300	2.40%	0.02%
CITIGROUP				
	COMMERCIAL PAPER	106,075,508	25.46%	0.25%
DEUTSCHE BANC				
	COMMERCIAL PAPER	9,978,122	2.40%	0.02%
FIRST TENNESSEE				
	COMMERCIAL PAPER	9,997,025	2.40%	0.02%
GOLDMAN SACHS				
	REPO	450,000,000	2.23%	1.07%
GOVERNMENT PERSPECTIVES				
	CD'S	9,032,559	100.00%	0.02%
	CORP NOTES	4,942,197	54.48%	0.01%
JP MORGAN CHASE				
	COMMERCIAL PAPER	72,090,695	17.30%	0.17%
	MONEY-MARKET	9,674,792	100.00%	0.02%
	REPO SWEEP	21,488,659,881	100.00%	51.01%
MORGAN STANLEY CAP				
	COMMERCIAL PAPER	57,995,402	13.92%	0.14%

BROKER ACTIVITY REPORT
POOL 5 - L.G.I.P.
OCTOBER 1 - DECEMBER 31, 2012

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
<i>NOMURA SECURITIES</i>				
	REPO	200,000,000	0.99%	0.47%
<i>RBC DAIN RAUSCHER</i>				
	COMMERCIAL PAPER	54,976,287	13.20%	0.13%
<i>SOUTH STREET</i>				
	REPO	18,472,894,849	91.48%	43.85%
<i>WELLS FARGO</i>				
	CORP NOTES	4,128,981	45.52%	0.01%

BROKER ACTIVITY REPORT
POOL 500 - L.G.I.P. MEDIUM-TERM
OCTOBER 1 - DECEMBER 31, 2012

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
BA SECURITIES INC.				
	REPO	14,000,000	1.77%	1.60%
	COMMERCIAL PAPER	17,979,299	36.55%	2.06%
	CORP NOTES	2,496,682	12.72%	0.29%
BARCLAYS CAPITAL INC.				
	COMMERCIAL PAPER	1,998,311	4.06%	0.23%
	CORP NOTES	1,045,000	5.33%	0.12%
CITIGROUP				
	COMMERCIAL PAPER	4,493,931	9.14%	0.51%
DEUTSCHE BANC				
	COMMERCIAL PAPER	4,989,000	10.14%	0.57%
GOLDMAN SACHS				
	COMMERCIAL PAPER	2,497,969	5.08%	0.29%
	CORP NOTES	1,000,000	5.10%	0.11%
GOVERNMENT PERSPECTIVES				
	CORP NOTES	7,846,176	39.99%	0.90%
JP MORGAN CHASE				
	MONEY-MARKET	14,708,155	100.00%	1.68%
	COMMERCIAL PAPER	4,998,833	10.16%	0.57%
MIZUHO SECURITIES				
	REPO	10,000,000	1.27%	1.15%
MORGAN STANLEY CAP				
	COMMERCIAL PAPER	4,996,050	10.16%	0.57%

BROKER ACTIVITY REPORT
POOL 500 - L.G.I.P. MEDIUM-TERM
OCTOBER 1 - DECEMBER 31, 2012

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
RAYMOND JAMES				
	CORP NOTES	1,000,000	5.10%	0.11%
RBC DAIN RAUSCHER				
	COMMERCIAL PAPER	7,233,634	14.71%	0.83%
	CORP NOTES	1,599,880	8.15%	0.18%
SOUTH STREET				
	REPO	765,500,000	96.96%	87.68%
STERNE AGEE AND LEACH				
	CORP NOTES	1,780,331	9.07%	0.20%
STIFEL NICOLAUS				
	CORP NOTES	1,354,592	6.90%	0.16%
UBS PAINE WEBBER				
	CORP NOTES	499,710	2.55%	0.06%
WELLS FARGO				
	CORP NOTES	998,200	5.09%	0.11%

BROKER ACTIVITY REPORT
POOL 7 - L.G.I.P.- GOV
OCTOBER 1 - DECEMBER 31, 2012

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
BA SECURITIES INC.				
	REPO	5,791,372,025	19.95%	19.86%
CITIGROUP				
	US TREAS	25,065,345	33.39%	0.09%
GOLDMAN SACHS				
	REPO	315,000,000	1.08%	1.08%
JP MORGAN CHASE				
	MONEY-MARKET	49,627,035	100.00%	0.17%
MIZUHO SECURITIES				
	REPO	1,855,000,000	6.39%	6.36%
NOMURA SECURITIES				
	REPO	20,860,565,863	71.85%	71.55%
	US TREAS	49,998,132	66.61%	0.17%
SOUTH STREET				
	REPO	210,550,202	0.73%	0.72%

BROKER ACTIVITY REPORT
POOL 700 - L.G.I.P. MEDIUM TERM F. F. & C.
OCTOBER 1 - DECEMBER 31, 2012

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
BA SECURITIES INC.				
	REPO	1,529,300,000	80.82%	78.32%
GOLDMAN SACHS				
	US TREAS	10,516,136	79.88%	0.54%
JP MORGAN CHASE				
	MONEY-MARKET	11,728,422	100.00%	0.60%
NOMURA SECURITIES				
	REPO	326,000,000	17.23%	16.70%
	US TREAS	2,649,265	20.12%	0.14%
ROBERT W BAIRD				
	USA-MBS	19,652,275	100.00%	1.01%
SOUTH STREET				
	REPO	37,000,000	1.96%	1.90%
STERNE AGEE & LEACH				
	US AGENCY	6,909,381	78.02%	0.35%
WELLS FARGO				
	FDIC - CORP NOTES	6,803,589	100.00%	0.35%
	US AGENCY	1,946,609	21.98%	0.10%

**BROKER ACTIVITY REPORT
FIXED INCOME FUND 205
OCTOBER 1 - DECEMBER 31, 2012**

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
BA SECURITIES INC.				
	CORP NOTES	2,989,830	26.38%	0.85%
	US TREAS	8,768,884	16.86%	2.49%
BARCLAYS CAPITAL INC.				
	CORP NOTES	2,996,610	26.44%	0.85%
	USA-MBS	1,383,290	0.72%	0.39%
BROADPOINT CAPITAL				
	USA-MBS	65,587,706	33.93%	18.59%
CANTOR FITZGERALD				
	US-AGENCY	2,874,297	21.64%	0.81%
	USA-MBS	4,183,422	2.16%	1.19%
CITIGROUP				
	USA-MBS	17,948,046	9.29%	5.09%
	US TREAS	16,695,082	32.09%	4.73%
DEUTSCHE BANC				
	US TREAS	8,892,257	17.09%	2.52%
JEFFRIES CO.				
	USA-MBS	26,324,025	13.62%	7.46%
	US TREAS	17,663,376	33.96%	5.01%
JP MORGAN CHASE				
	MONEY-MARKET	82,796,395	100.00%	23.47%
	USA-MBS	2,172,469	1.12%	0.62%
ROBERT W BAIRD				
	USA-MBS	74,158,408	38.36%	21.02%

**BROKER ACTIVITY REPORT
FIXED INCOME FUND 205
OCTOBER 1 - DECEMBER 31, 2012**

<i>Broker Name</i>	<i>Asset Group</i>	<i>Sum Of Book Value</i>	<i>Pct Of Type</i>	<i>Pct Of Total</i>
STERNE AGEE AND LEACH				
	USA-MBS	1,543,319	0.80%	0.44%
STIFEL NICOLAUS				
	CORP NOTES	5,347,442	47.18%	1.52%
WELLS FARGO				
	US AGENCY	10,407,931	78.36%	2.95%