OFFICE OF THE

ARIZONA STATE TREASURER

Doug Ducey
TREASURER

JULY 2012

Presented To:

Arizona State Board of Investment

AUGUST 21, 2012

State Board of Investment

A G E N D A

August 21, 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

August 21, 2012

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Minutes of
BOARD OF INVESTMENT MEETING

The regular meeting of the State Board of Investment was held on July 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 1:30 p.m.

Members Present:

Doug Ducey, Chair, State Treasurer
Beth Ford, Treasurer, Pima County
Harry A. Papp, CFA and Managing Partner, L. Roy Papp & Associate
Scott Smith, Director of Arizona Department of Administration, by teleconference

Members Absent:

Lauren Kingry, Superintendent, Department of Financial Institutions

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
Kevin Donnellan, Director of Communications, 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 June, 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 July 24, 2012 BOI meeting to order at approximately 1:30 pm.

2. ***Treasurers Comments:***
   Treasurer Ducey welcomed the board members and guests and thanked all present for attending the July 24, 2012 meeting.

3. ***Approval of Minutes:***
   Mr. Papp made a motion to approve the June 26, 2012 minutes. Treasurer Ford seconded the motion. Motion carried.

4. ***Review of Treasurer's Monthly Report***

Earnings Distribution – Investment Pools

Ms. Humbert 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 June, 2012.

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

Ms. Humbert 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

Ms. Humbert reported the net yields for the LGIP and LGIP-Gov Pools, as well as the comparisons to their relative benchmarks for the month of June, 2012.

Pool 500 & Pool 700 Portfolio Yield Analysis

Ms. Humbert reported the net yield for the LGIP Medium Term Pools and the comparison to the benchmark for the month of June, 2012.

Manager Allocation of Invested Monies for the LGIP Pools

Ms. Humbert 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 June 30, 2012.

LGIP Pools Investments and Performance Reports

Ms. Humbert 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 June, 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 June, 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 June 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 June 30, 2012.

Ms. Humbert noted that there is no clear direction from GADA for managing the GADA pool. Treasurer Ducy asked her to clarify that statement. Ms. Humbert advised that GADA has not made a long term commitment to investing with the Treasurer's Office and they require that the fund be in mostly liquid assets, so if necessary, the fund could be redeemed 100% within 72 hours.

Operating Monies Average Invested Balance

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

Review of Treasurer's Monthly Report – Endowments:

Ms. Humbert 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

Ms. Humbert reported the earnings distributed for the Endowment Funds for the month of June, 2012.

Endowment Funds Yield Analysis

Ms. Humbert reported the net yield of the Endowment Fund Fixed Income Pool for the month of June, 2012.

Net Realized Capital Gains/Losses – Endowment Funds

Ms. Humbert 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 June, 2012 and FY12 fiscal year to date.

Endowment Funds Fixed-Income Pool Purchases & Sales

Ms. Humbert reported the purchases and sales of the Endowment Fixed Income Pool for the month of June, 2012.

Equity Funds Purchases & Sales

Ms. Humbert reported the purchases and sales (summary) of the Endowment Equity Pools for the month of June, 2012.

Investments Outstanding in Endowment Funds

Ms. Humbert reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of June 30, 2012.

Performance of Investments in Endowment Funds

Ms. Humbert 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 June 30, 2012.

Manager Allocation of Invested Monies for the Endowment Pools

Ms. Humbert reported the percentage of the total market value of all of the Endowment investments allocated to each of the Endowment Pools, as of June 30, 2012.

Equity Holdings Investments Outstanding S&P 500

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 500 Pool as of June 30, 2012.

Equity Holdings Investments Outstanding S&P 400

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 400 Pool as of June 30, 2012.

Equity Holdings Investments Outstanding S&P 600

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 600 Pool as of June 30, 2012.

Fixed Income Investments and Performance Reports

Ms. Humbert 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 June, 2012.

Endowment Investments and Performance Growth by Account Reports

Ms. Humbert reported the performance and growth for each of the Endowment Funds from the inception date of each fund through the end of June, 2012.

Approval of Treasurer's Report

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

5. Proposed Changes to Investment Policy:

Deputy Treasurer Swenson noted that the Members of the Board had been given Investment policy changes recommended by the Risk Management Committee and approved by the Legislature. He explained that the changes will take effect on August 2, and will allow dollar denominated debt to be purchased in the portfolios.

Deputy Treasurer Swenson advised the Board that there were two other changes to the Investment Policy; external managers would be approved by the Board, and the endowment investments would be collapsed into one share of equity and one share of fixed income so the accounting for future asset classes would be simplified.

Deputy Treasurer Swenson also mentioned that the process for asset allocation implementation will require more time because the research has been very time consuming.

In closing, Treasurer Ducey stated that the proposed new Endowment Distribution Policy will be listed on the fall ballot as Proposition 118.

Mr. Papp made a motion to approve the proposed changes to the Investment Policy. Treasurer Ford seconded the motion. Motion carried.

6. ***Review and approval of Proposed/Pending Securities Dealers:***
   There were no Securities Dealers to be approved.

7. ***General Business:***
   Review and approve the FY 2012-2013 Preliminary Endowment Distribution.

Deputy Treasurer, Mark Swenson presented the FY 2012- 2013 Preliminary Endowment Distribution for review and approval.

Mr. Papp made a motion to approve the FY 2012-2013 Preliminary Endowment Distribution. Treasurer Ford seconded the motion. Motion carried.

8. ***Call to the Public***
   There was no public comment.

9. ***Notice of Next Meeting:***

   Treasurer Ducey advised the Board that the next regular meeting of the Board of Investment will be Tuesday, August 21, 2012 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

Treasurer Ducey opened up for discussion the importance of the Board of Investment meetings and requested feedback on how often they should occur. Mr. Papp noted that is useful to have monthly meetings while the asset allocation changes are being implemented, and the current markets are so volatile. He added that after the transition, and when the markets calm down to a more normal environment, every other month would probably be sufficient. All Board Members present were in agreement with Mr. Papp.

10. ***Adjournment:***

    Treasurer Ford 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:

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Helen Garafola
Executive Consultant I

Approved by:

________________________	________________________
Doug Ducey, Chair	Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
JULY 2012

Recipient	Earnings Distributed JULY 2012	Fiscal YTD 12/13	Fiscal YTD 11/12	Fiscal YTD Investment Management Fees Received
General Fund	$1,268,798	$1,268,798	$789,411	
2 State Agencies - Full Faith & Credit	568,564	568,564	591,432	$56,042
3 State Agencies - Diversified *(Combined)*	771,495	771,495	548,829	107,548
4 State Agencies - Gov	364,518	364,518	310,357	57,883
5 LGIP	216,210	216,210	168,791	62,483
7 LGIP Gov	138,092	138,092	44,172	74,851
12 CAWCD Medium-Term	436,010	436,010	523,975	14,239
15 GADA Long-Term	18,435	18,435	37,824	616
16 ECDH Medium-Term	455,680	455,680	0	18,193
Subtotal	**$4,237,802**	**$4,237,802**	**$3,014,791**	**$391,856**
NAV POOL				
500 LGIP - Med Term	232,868	232,868	250,662	11,593
700 LGIP - FF&C Med Term	180,533	180,533	104,332	8,834
Total	**$4,651,203**	**$4,651,203**	**$3,369,785**	**$412,283**
JULY 2011 TOTALS	**$3,369,785**			**$368,573**

LGIP & LGIP- GOV
PORTFOLIO YIELD ANALYSIS
JULY 31, 2012

NET EARNINGS

FUND	DESCRIPTION	Current Month 07/31/12	Prior Month 06/30/12	Prior Year 7/31/11	Net Asset Value Per Share
5	**LGIP**	227,440	247,918	**169,932**	1.0000
7	**LGIP - GOV**	142,072	154,416	**44,267**	1.0000
	TOTAL LGIP & LGIP-GOV	**369,512**	**402,334**	**214,199**	

YIELDS

	MONTHLY	Current Month 07/31/12	Prior Month 06/30/12	Prior Year 7/31/11
5	**LGIP (NET)**	0.22%	0.22%	**0.14%**
	S & P LGIP INDEX	0.10%	0.10%	**0.08%**
7	**LGIP - GOV (NET)**	0.11%	0.11%	**0.03%**
	3 MONTH T-BILL	0.09%	0.08%	**0.03%**
	YEAR TO DATE			
5	**LGIP (NET)**	0.22%	0.19%	**0.14%**
	S & P LGIP INDEX	0.10%	0.09%	**0.08%**
7	**LGIP - GOV (NET)**	0.11%	0.07%	**0.03%**
	3 MONTH T-BILL	0.09%	0.04%	**0.03%**

* 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
JULY 31, 2012

NET EARNINGS

FUND	DESCRIPTION	Current Month 07/31/12	Prior Month 06/30/12	Prior Year 7/31/11	Net Asset Value Per Share
500	LGIP - MED TERM POOL	256,165	320,473	277,958	1.0456
700	LGIP - FF&C MED TERM POOL	204,695	158,061	125,209	1.0180
	TOTAL LGIP MEDIUM TERM POOLS	460,860	478,534	403,167	

YIELDS

	MONTHLY	Current Month 07/31/12	Prior Month 06/30/12	Prior Year 7/31/11
500	LGIP - MED TERM (NET)	1.38%	1.81%	1.65%
	MERRILL 1-5 US D M INDEX	0.98%	1.30%	1.52%
700	LGIP - FF&C MED TERM (NET)	1.41%	1.16%	1.23%
	75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.57%	0.83%	1.26%

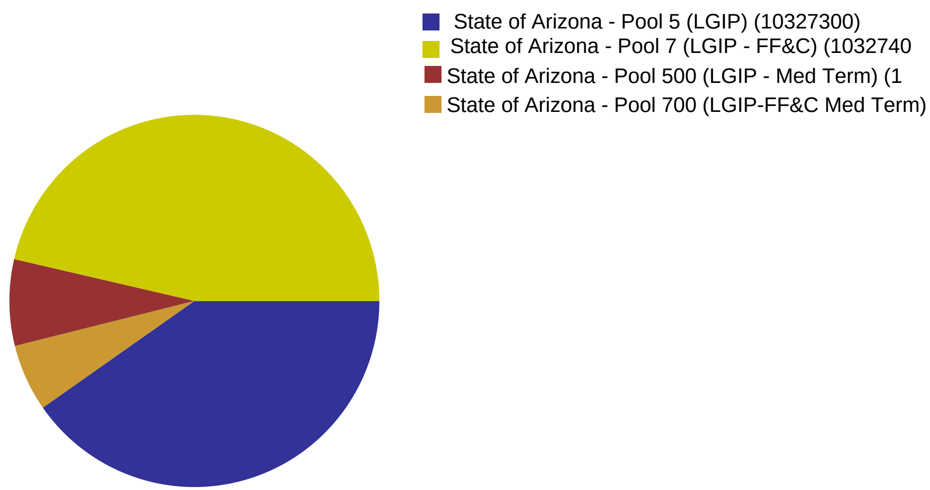
	YEAR TO DATE			
500	LGIP - MED TERM (NET)	1.38%	1.74%	1.65%
	MERRILL 1-5 US D M INDEX	0.98%	1.43%	1.52%
700	LGIP - FF&C MED TERM (NET)	1.41%	1.12%	1.23%
	75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.57%	0.85%	1.26%

J.P.Morgan

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

LGIP composite (00550903)

Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,233.96	40.4%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	1,420.14	46.5%
State of Arizona - Pool 500 (LGIP _ Med Term) (10327700)	227.98	7.5%
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	174.45	5.7%
TOTAL	**3,056.52**	**100.0%**



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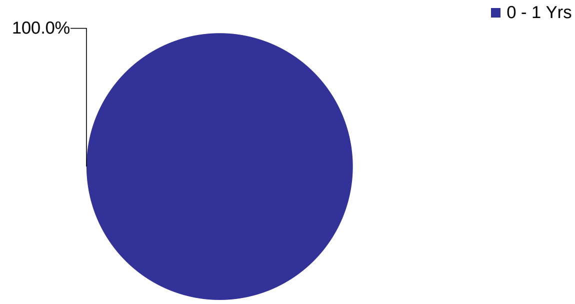
State of Arizona - Pool 5 (LGIP) (10327300)

Portfolio Fact Sheet
July 2012

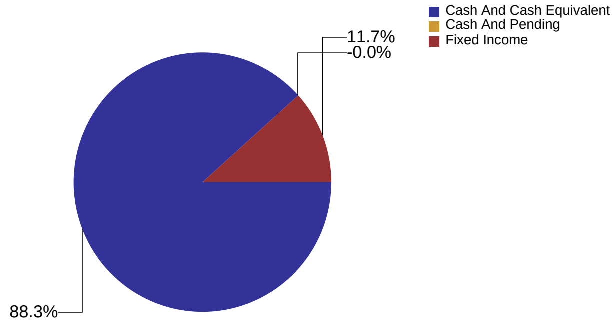
Portfolio Characteristics

Total Net Assets (Millions)	**1,234.0**
Weighted Average Life (Years)	**0.05**
Weighted Avg. Effective Duration (Years)	**0.05**
Weighted Average Maturity (Years)	**0.06**
Weighted Average Rating	**AA+**
Number of Holdings	**50**

Duration Mix



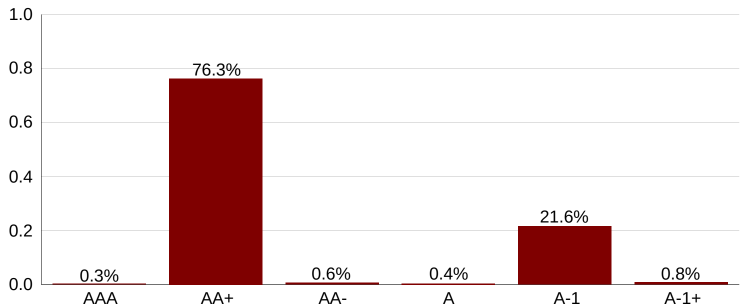
Asset Mix



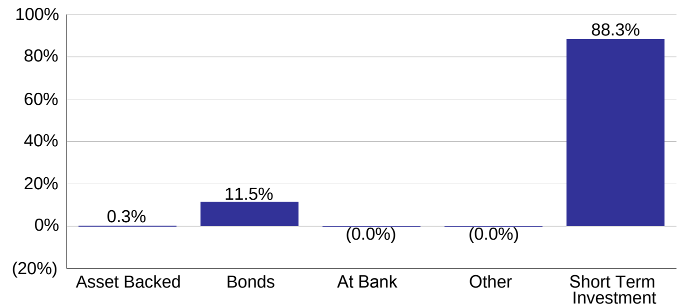
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 1/AUG	20.40%	0.30	1/8/2012
852990P46	TRI-PARTY REPO SOUTH STREET 0.18% 01/AUG/2012	11.34%	0.18	1/8/2012
06099V282	TRI-PARTY REPO BANK OF AMERICA 0.16% 01/AUG/2012	9.72%	0.16	1/8/2012
46999W022	TRI-PARTY REPO JP MORGAN REPO SWEEP	8.12%	0.20	1/8/2012
852990P12	TRI-PARTY REPO SOUTH STREET 0.22% 03/AUG/2012	8.10%	0.22	3/8/2012
852990Q37	TRI-PARTY REPO SOUTH STREET 0.25% 28/SEP/2012	5.67%	0.25	28/9/2012
G3499E641	FIDELITY INVESTMENTS-PRIME MONEY MARKET PORTFOLIO	3.24%	0.17	4/9/2012
36967HBA4	GENL ELEC CAP CORP FDIC TLGP GTD SR NT FLT 12	1.62%	0.47	21/9/2012
31398A3X8	FANNIE MAE VAR 13/SEP/2012	1.62%	0.36	13/9/2012
46636JAF0	MORGAN J.P. CHASE & CORPORATE COMMERCIAL PAPER	1.62%	0.00	12/9/2012

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



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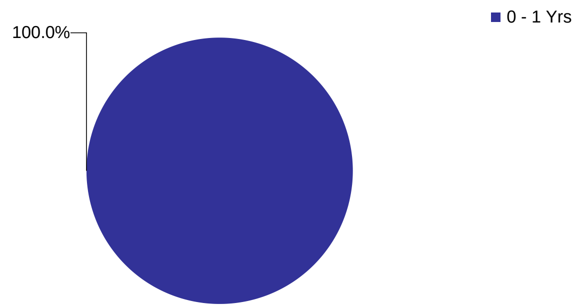
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)

Portfolio Fact Sheet
July 2012

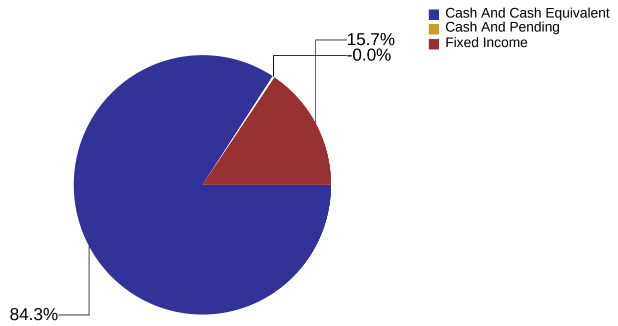
Portfolio Characteristics

Total Net Assets (Millions)	**1,420.1**
Weighted Average Life (Years)	**0.09**
Weighted Avg. Effective Duration (Years)	**0.09**
Weighted Average Maturity (Years)	**0.12**
Weighted Average Rating	**AA+**
Number of Holdings	**27**

Duration Mix



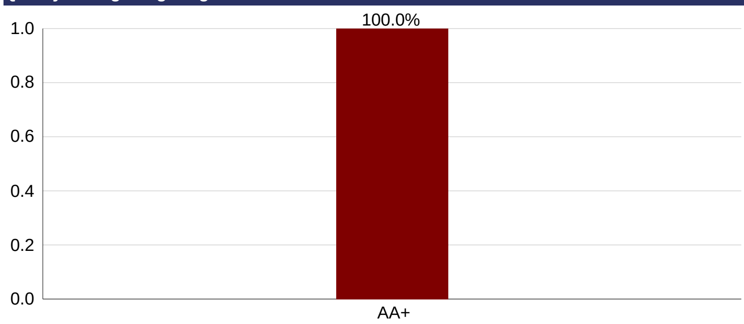
Asset Mix



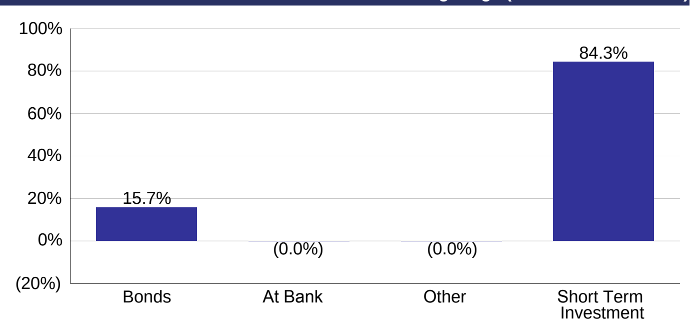
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599Z516	TRI-PARTY REPO NOMURA 0.21% 01/AUG/2012	26.40%	0.21	1/8/2012
65599B352	TRI-PARTY REPO NOMURA 0.16% 03/AUG/2012	14.08%	0.16	3/8/2012
38299U442	TRI-PARTY REPO GOLDMAN SACHS AND CO 0.14%	10.56%	0.14	3/8/2012
65599Z342	TRI-PARTY REPO NOMURA 0.15% 02/AUG/2012	7.04%	0.15	2/8/2012
06099V282	TRI-PARTY REPO BANK OF AMERICA 0.16% 01/AUG/2012	5.28%	0.16	1/8/2012
9127956S5	UNITED STATES TREAS BILLS DT	3.52%	0.00	8/11/2012
9127955V9	UNITED STATES TREAS BILLS DT	3.52%	0.00	10/1/2013
9127956E6	UNITED STATES TREAS BILLS DT	3.52%	0.00	7/3/2013
9127956F3	UNITED STATES TREAS BILLS DT	3.52%	0.00	4/4/2013
9127956M8	UNITED STATES TREAS BILLS DT	3.17%	0.00	11/10/2012

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



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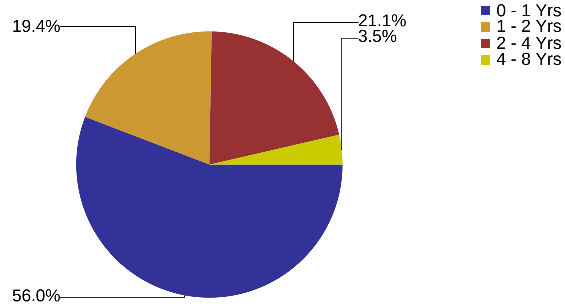
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)

Portfolio Fact Sheet
July 2012

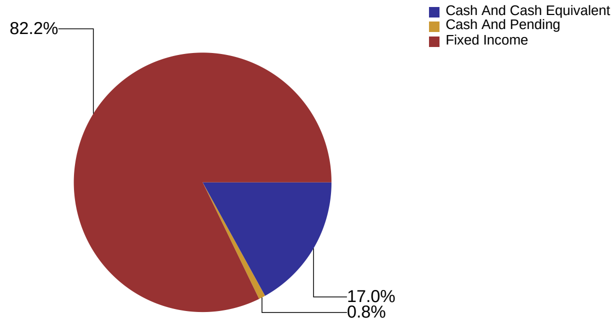
Portfolio Characteristics

Total Net Assets (Millions)	**228.0**
Weighted Average Life (Years)	**1.68**
Weighted Avg. Effective Duration (Years)	**1.23**
Weighted Average Rating	**AA**
Number of Holdings	**175**

Duration Mix



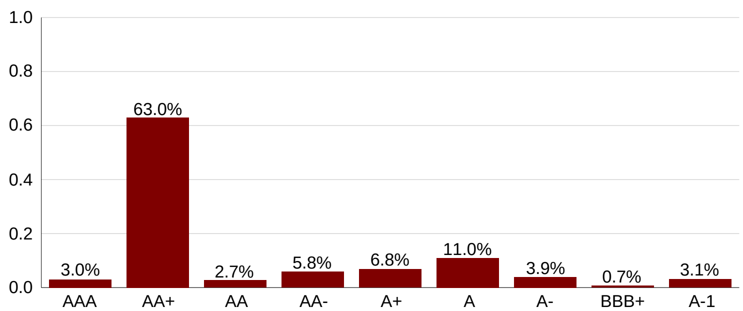
Asset Mix



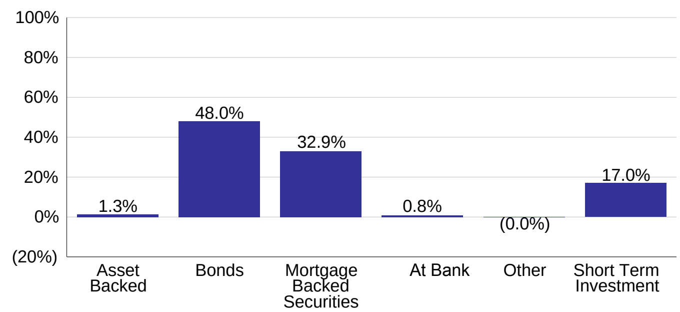
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
852990Q29	TRI-PARTY REPO SOUTH STREET 0.22% 01/AUG/2012	13.70%	0.22	1/8/2012
3138A5CF7	FNMA MORTPASS 4% 01/FEB/2026 CI PN# AH3669	2.76%	4.00	1/2/2026
31416XE97	FNMA MORTPASS 4% 01/DEC/2040 CL PN# AB1959	2.31%	4.00	1/12/2040
31292LFA8	FHLMCGLD MORTPASS 3.5% 01/FEB/2042 C0 PN# C03761	2.29%	3.50	1/2/2042
31417AXK0	FNMA MORTPASS 3% 01/JAN/2027 CI PN# AB4281	2.23%	3.00	1/1/2027
36967HBA4	GENL ELEC CAP CORP FDIC TLGP GTD SR NT FLT 12	2.21%	0.47	21/9/2012
312936EV5	FHLMCGLD MORTPASS 4% 01/OCT/2039 A8 PN# A89148	2.10%	4.00	1/10/2039
3138ALNT0	FNMA MORTPASS 4% 01/SEP/2041 CL PN# AI6701	2.08%	4.00	1/9/2041
3128MMN33	FHLMCGLD MORTPASS 3% 01/NOV/2026 G1 PN# G18409	2.06%	3.00	1/11/2026
31419CZL0	FNMA MORTPASS 4.5% 01/SEP/2040 CL PN# AE2546	1.67%	4.50	1/9/2040

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



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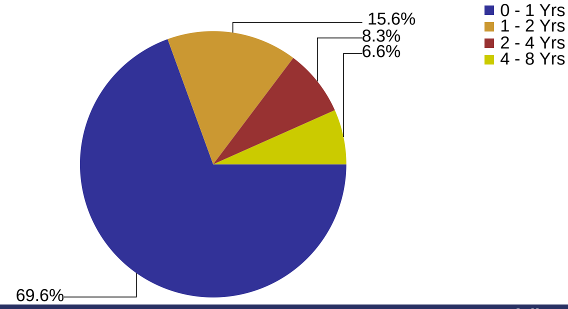
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)

Portfolio Fact Sheet
July 2012

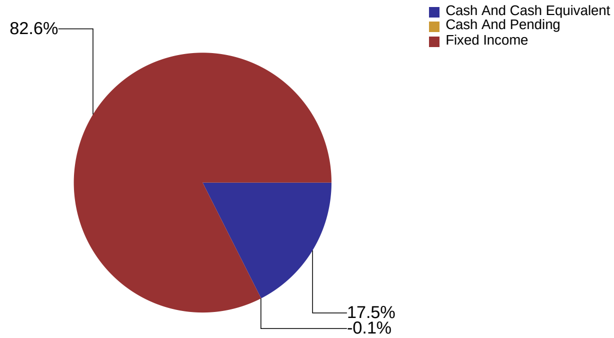
Portfolio Characteristics

Total Net Assets (Millions)	**174.4**
Weighted Average Life (Years)	**1.42**
Weighted Avg. Effective Duration (Years)	**0.92**
Weighted Average Rating	**AA+**
Number of Holdings	**74**

Duration Mix



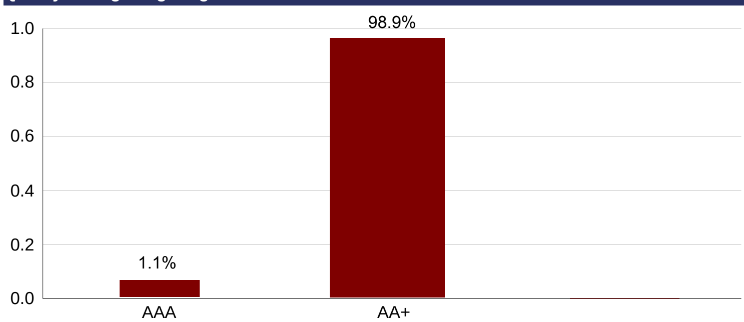
Asset Mix



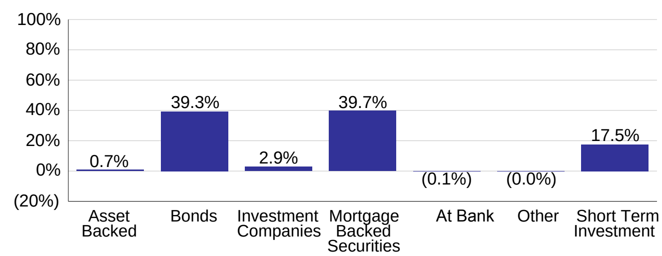
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
06099V282	TRI-PARTY REPO BANK OF AMERICA 0.16% 01/AUG/2012	16.03%	0.16	1/8/2012
22087WAB5	CORUS CONSTRUCTION VENTURE LLC 0% NTS 25/OCT/2012	6.55%	0.00	25/10/2012
36179MAH3	GNMA II MORTPASS 3.5% 20/APR/2027 SF PN# MA0008	4.55%	3.50	20/4/2027
36186CBF9	ALLY FINANCIAL INC 2.2% NTS 19/DEC/2012 USD1000	4.34%	2.20	19/12/2012
30299Q547	FDIC US BANK CDARS ACCOUNT 0.27%	4.32%	0.27	4/9/2012
36230M3Y1	GNMA I MORTPASS 4% 15/NOV/2040 SF PN# 753515	3.25%	4.00	15/11/2040
36176S4T4	GNMA I MORTPASS 4% 15/SEP/2041 SF PN# 775134	3.06%	4.00	15/9/2041
36967HAY3	GENERAL ELECTRIC CAPITAL CORP 2.625% BDS	2.90%	2.62	28/12/2012
17313YAN1	CITIGROUP FUNDING INC 1.875% 15/NOV/2012	2.89%	1.88	15/11/2012
464287457	ISHARES BARCLAYS 1-3 YRS TREASURY BOND FUND	2.88%		

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



STATE AGENCY POOLS
PORTFOLIO EARNINGS ANALYSIS
JULY 31, 2012

FUND	DESCRIPTION	Current Month 07/31/12	Prior Month 06/30/12	Prior Year 7/31/11	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	1,046,842	1,012,894	926,068	1.0097
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	1,157,002	1,526,182	939,516	1.0049
	EXTERNAL MANAGERS	37,207	32,674	N/A	1.0009
	FUND 3 TOTAL	1,194,209	1,558,856	939,516	1.0047
4	STATE AGENCIES - GOV	669,656	693,770	325,037	1.0038
12	CAWCD MEDIUM-TERM	436,010	501,389	523,975	1.0266
15	GADA LONG-TERM	18,435	20,486	37,824	1.0221
16	ECDH MEDIUM-TERM	455,680	432,147	N/A	1.0083
	TOTAL STATE AGENCIES	3,820,831	4,219,542	2,752,420	

STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
JULY 31, 2012

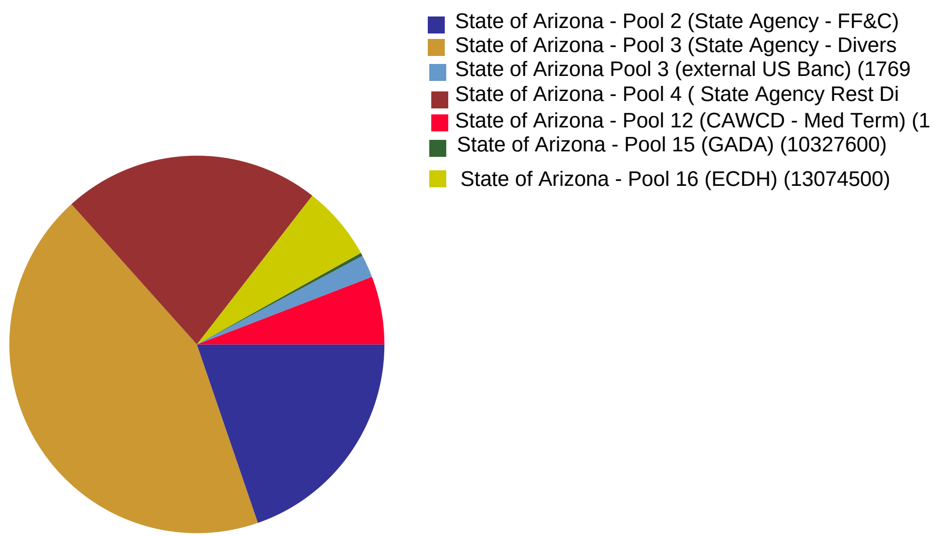
FUND	DESCRIPTION	Current Month 07/31/12	Prior Month 06/30/12	Prior Year 7/31/11
2	STATE AGENCIES - FULL FAITH & CREDIT	1.11%	1.02%	1.10%
	75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.45%	0.63%	0.94%
3	STATE AGENCIES - DIVERSIFIED			
	INTERNAL MANAGERS	0.69%	0.94%	0.58%
	EXTERNAL MANAGERS	0.44%	0.40%	N/A
	COMBINED	0.68%	0.92%	0.58%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.66%	0.74%	0.53%
4	STATE AGENCIES - GOV	0.69%	0.68%	0.66%
	50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.19%	0.25%	0.28%
12	CAWCD MEDIUM-TERM	1.83%	2.19%	2.26%
	BARCLAYS CAPITAL US AGG. BOND INDEX	1.72%	1.98%	2.61%
15	GADA LONG-TERM	1.79%	2.04%	3.68%
	MERRILL 3-5 US BROAD MARKET EX CORP	1.08%	1.55%	2.18%
16	ECDH MEDIUM-TERM	1.64%	1.75%	N/A
	BARCLAYS CAPITAL US AGG. BOND INDEX	1.72%	1.98%	N/A

J.P.Morgan

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

Pool Composite (00550904)

Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	988.20	19.7%
State of Arizona - Pool 3 (State Agency -Diversified) (10327100)	2,199.52	43.8%
State of Arizona - Pool 3 (external US Banc) (17699900)	100.13	2.0%
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	1,105.41	22.0%
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	288.41	5.7%
State of Arizona - Pool 15 (GADA) (10327600)	12.38	0.2%
State of Arizona - Pool 16 (ECDH) (13074500)	329.17	6.6%
TOTAL	**5,023.22**	**100.0%**



J.P.Morgan

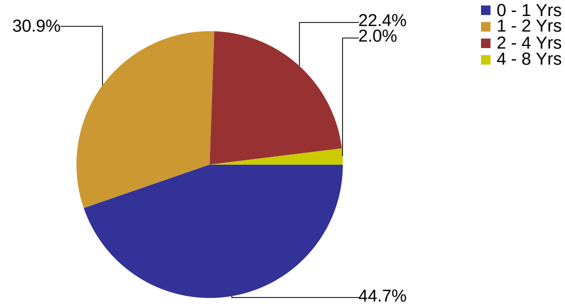
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)

Portfolio Fact Sheet
July 2012

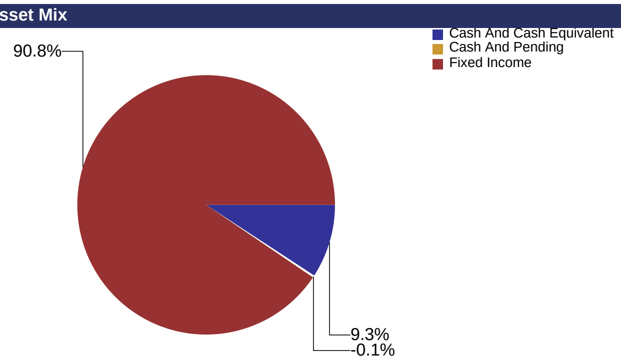
Portfolio Characteristics

Total Net Assets (Millions)	**988.2**
Weighted Average Life (Years)	**1.52**
Weighted Avg. Effective Duration (Years)	**1.29**
Weighted Average Rating	**AA+**
Number of Holdings	**107**

Duration Mix



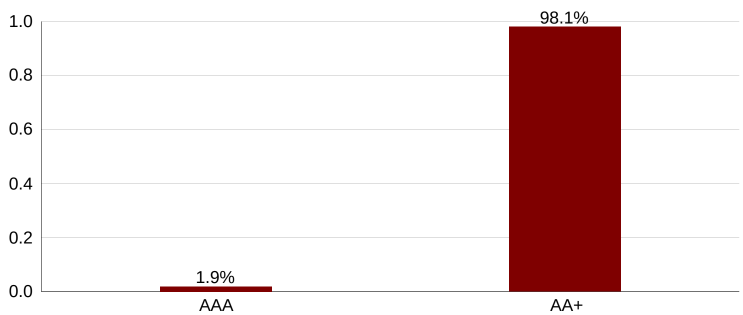
Asset Mix



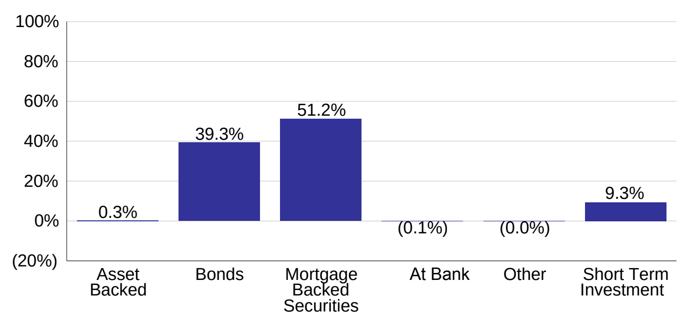
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
06099V282	TRI-PARTY REPO BANK OF AMERICA 0.16% 01/AUG/2012	7.78%	0.16	1/8/2012
912828QH6	US 1.25000 '14	4.13%	1.25	15/2/2014
912828PD6	UNITED STATES TREAS NTS 0.375% 31/OCT/2012	4.05%	0.38	31/10/2012
62889KAA9	NCUA GTD NTS MASTER TRUST 0% BDS 12/JUN/2013	4.04%	0.27	12/6/2013
36179MAB6	GNMA II MORTPASS 3% 20/APR/2027 JM PN# MA0002	2.65%	3.00	20/4/2027
38374UAY7	GINNIE MAE 2009-32 CA 4.000% 20/MAY/2039	2.54%	4.00	20/5/2039
38377WL77	GINNIE MAE 2011-94 AB 2.000% 20/JAN/2039	2.53%	2.00	20/1/2039
38377U3J5	GINNIE MAE 2011-63 BA 2.000% 20/MAY/2038	2.32%	2.00	20/5/2039
912828KV1	US 2.25000 '14	2.10%	2.25	31/5/2014
38378BWG0	GINNIE MAE 2012-79 A 1.800% 16/APR/2039	2.07%	1.80	16/4/2039

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

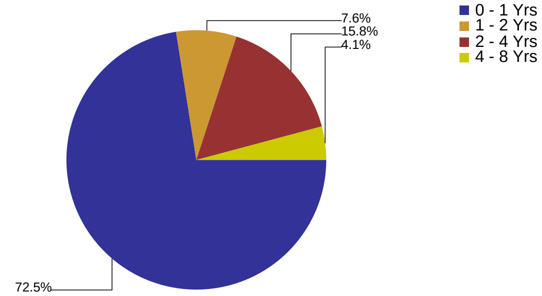
Total Fund (00550901)

Pool 3 combined
July 2012

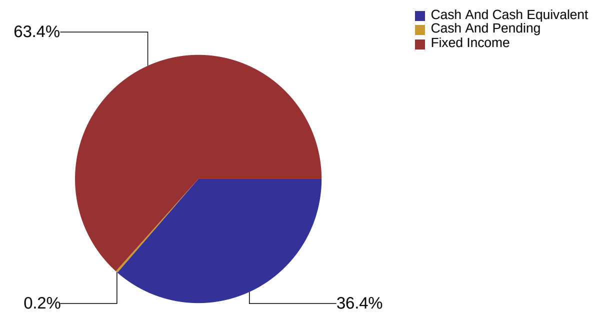
Portfolio Characteristics

Total Net Assets (Millions)	**2,299.6**
Weighted Average Life (Years)	**1.48**
Weighted Avg. Effective Duration (Years)	**0.85**
Weighted Average Rating	**AA**
Number of Holdings	**246**

Duration Mix



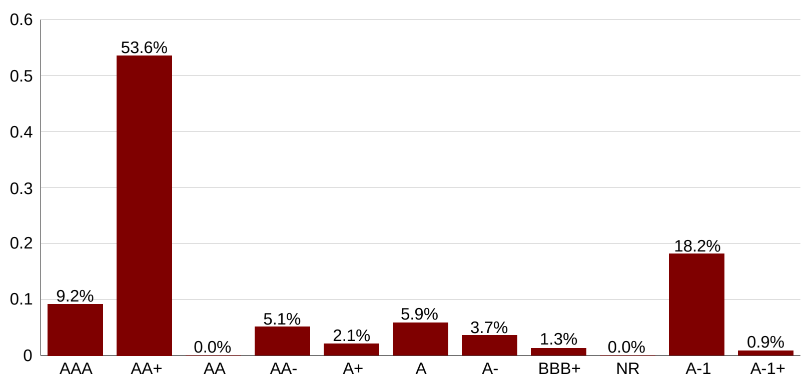
Asset Mix



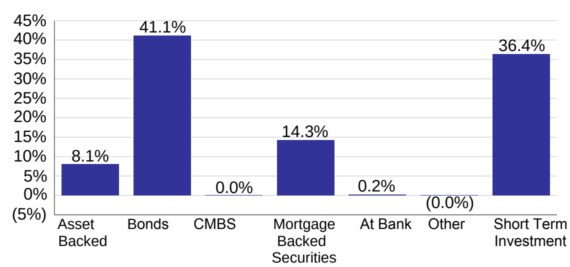
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
852990Q29	TRI-PARTY REPO SOUTH STREET 0.22% 01/AUG/2012	16.21%	0.22	1/8/2012
G3499E633	FIDELITY INVESTMENTS-MONEY MARKET PORTFOLIO SHARES	2.18%	0.22	4/9/2012
85520LH16	STARBIRD FDG. CORP. CORPORATE COMMERCIAL PAPER	2.18%	0.00	1/8/2012
52468JH23	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	2.18%	0.00	2/8/2012
87019QME5	SWEDBANK (SPARBANK) CERTIFICATE OF DEPOSIT FIXED	1.96%	1.00	15/7/2013
74977MZ81	RABOBANK NEDERLAND CERTIFICATE OF DEPOSIT VARIABLE	1.74%	0.00	2/5/2013
62455AHT7	MOUNTCLIFF CORPORATE COMMERCIAL PAPER DISCOUNT DTD	1.74%	0.00	27/8/2012
45779PKX5	INSTITUTIONAL SECURED CORPORATE COMMERCIAL PAPER	1.74%	0.00	31/10/2012
38346LKG0	GOTHAM FUNDING CO	1.63%	0.00	16/10/2012
06945LH27	BARTON CAPITAL CORP. ZCP 02/AUG/2012	1.39%	0.00	2/8/2012

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

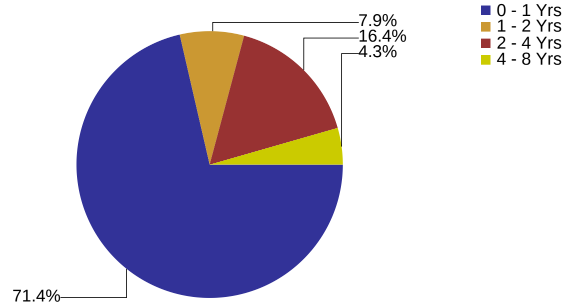
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)

Portfolio Fact Sheet
July 2012

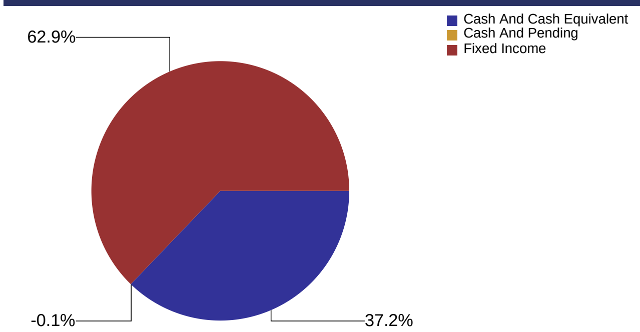
Portfolio Characteristics

Total Net Assets (Millions)	**2,199.5**
Weighted Average Life (Years)	**1.54**
Weighted Avg. Effective Duration (Years)	**0.88**
Weighted Average Rating	**AA**
Number of Holdings	**166**

Duration Mix



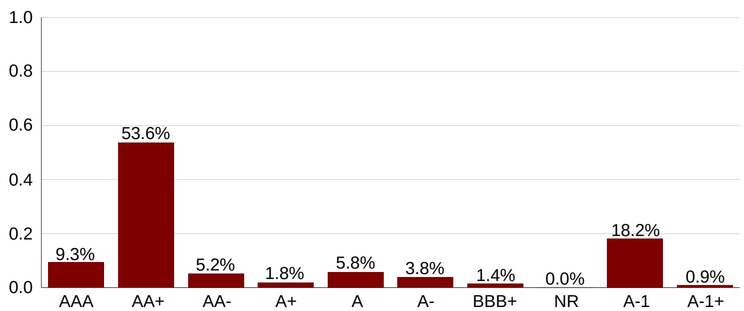
Asset Mix



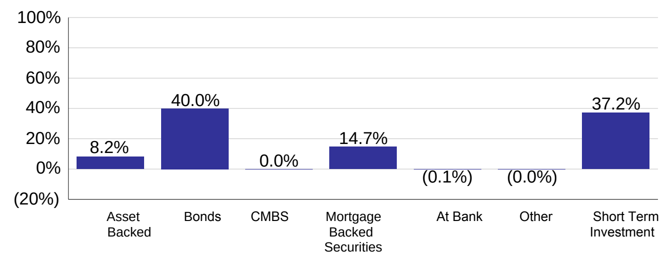
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
852990Q29	TRI-PARTY REPO SOUTH STREET 0.22% 01/AUG/2012	16.91%	0.22	1/8/2012
G3499E633	FIDELITY INVESTMENTS-MONEY MARKET PORTFOLIO SHARES	2.28%	0.22	4/9/2012
85520LH16	STARBIRD FDG. CORP. CORPORATE COMMERCIAL PAPER	2.27%	0.00	1/8/2012
52468JH23	LEGACY CAPITAL COMPANY CORPORATE COMMERCIAL PAPER	2.27%	0.00	2/8/2012
87019QME5	SWEDBANK (SPARBANK) CERTIFICATE OF DEPOSIT FIXED	2.05%	1.00	15/7/2013
74977MZ81	RABOBANK NEDERLAND CERTIFICATE OF DEPOSIT VARIABLE	1.82%	0.00	2/5/2013
62455AHT7	MOUNTCLIFF CORPORATE COMMERCIAL PAPER DISCOUNT DTD	1.82%	0.00	27/8/2012
45779PKX5	INSTITUTIONAL SECURED CORPORATE COMMERCIAL PAPER	1.82%	0.00	31/10/2012
38346LKG0	GOTHAM FUNDING CO	1.70%	0.00	16/10/2012
06945LH27	BARTON CAPITAL CORP. ZCP 02/AUG/2012	1.44%	0.00	2/8/2012

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



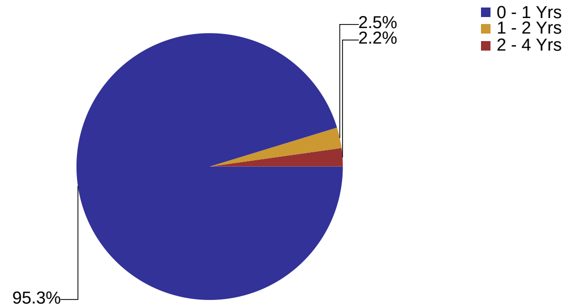
State of Arizona Pool 3 (external US Banc) (17699900)

Portfolio Fact Sheet
July 2012

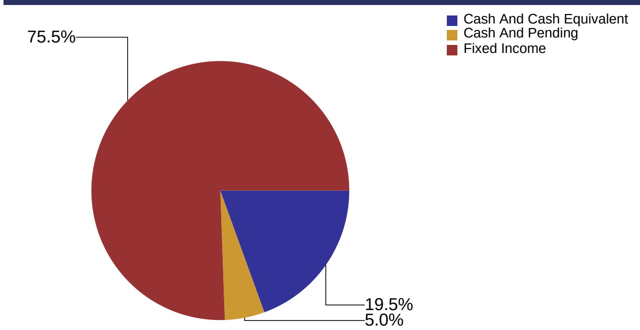
Portfolio Characteristics

Total Net Assets (Millions)	**100.1**
Weighted Average Life (Years)	**0.15**
Weighted Avg. Effective Duration (Years)	**0.13**
Weighted Average Rating	**AA+**
Number of Holdings	**80**

Duration Mix



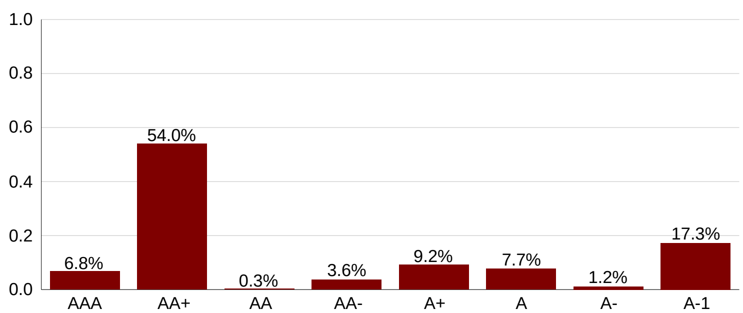
Asset Mix



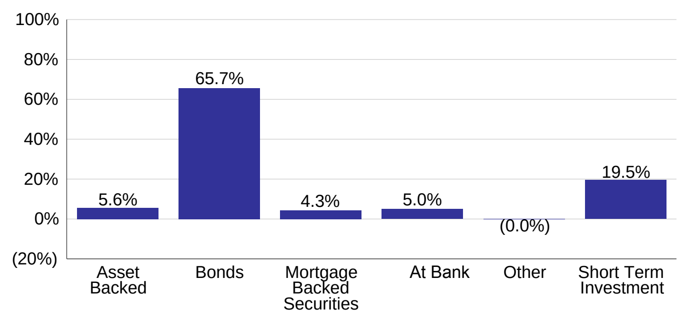
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
313379P60	FEDERAL HOME LOAN BANKS CONS BD FLT 13 25/NOV/2013	4.21%	0.00	25/11/2013
3135G0LB7	FEDERAL NATL MTG ASSN CALL 1%29/MAY/2015	2.65%	1.00	29/5/2015
3136G0CB5	FEDERAL NATL MTG ASSN CALL 0.71%15/APR/2015	2.64%	0.71	15/4/2015
3135G0KR3	FEDERAL NATIONAL MORTGAGE ASSOC 0.7% NTS	2.64%	0.70	15/5/2015
3135G0KS1	FEDERAL NATIONAL MORTGAGE ASSOC 0.56% NTS	2.63%	0.56	10/2/2015
3133EARS9	FEDERAL FARM CR BKS CONS BD 0.38% 29/MAY/2014	2.63%	0.38	29/5/2014
3133EAXC7	FEDERAL FARM CR BKS CONS BD 0.57% 09/JUL/2015	2.63%	0.00	9/7/2015
3133EAZU5	FEDERAL FARM CREDIT BANKS 0.45% BDS 24/APR/2015	2.63%	0.00	24/4/2015
86257GZ71	STRAIGHT A FDG SLSTN CORPORATE COMMERCIAL PAPER	2.42%	0.00	7/8/2013
377372AC1	GLAXOSMITHKLINE CAPITAL 4.85% BDS 15/MAY/2013	2.20%	4.85	15/5/2013

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

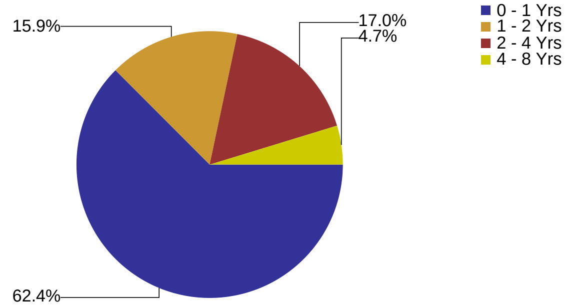
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)

Portfolio Fact Sheet
July 2012

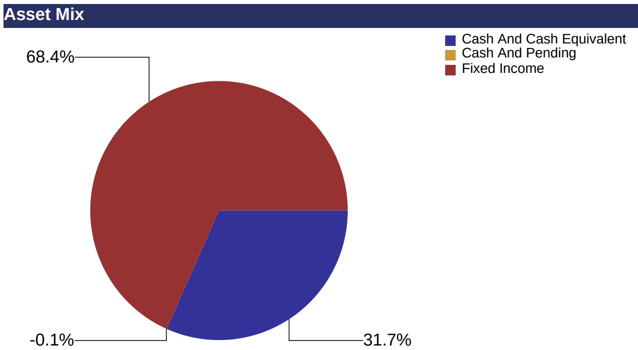
Portfolio Characteristics

Total Net Assets (Millions)	**1,105.4**
Weighted Average Life (Years)	**1.62**
Weighted Avg. Effective Duration (Years)	**0.92**
Weighted Average Rating	**AA+**
Number of Holdings	**88**

Duration Mix



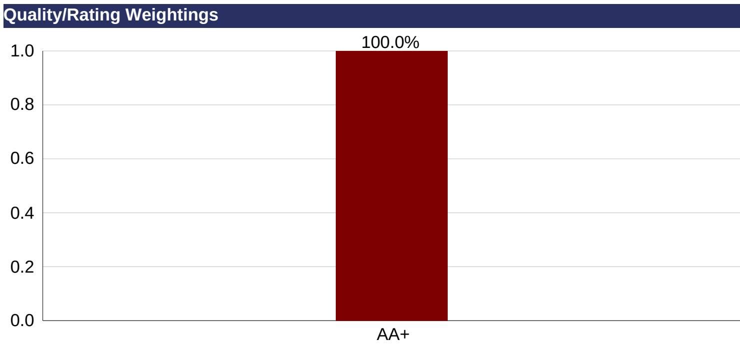
Asset Mix



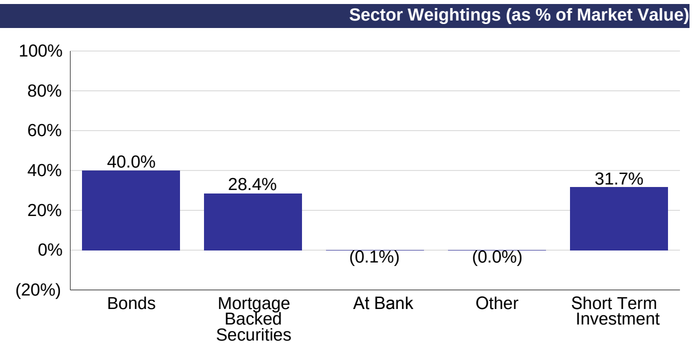
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
852990P12	TRI-PARTY REPO SOUTH STREET 0.22% 03/AUG/2012	18.08%	0.22	3/8/2012
852990Q29	TRI-PARTY REPO SOUTH STREET 0.22% 01/AUG/2012	5.68%	0.22	1/8/2012
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 1/AUG	5.01%	0.30	1/8/2012
3135G0KF9	FEDERAL NATIONAL MORTGAGE ASSOC 1.5% NTS	4.12%	1.50	17/4/2017
3135G0JS3	FEDERAL NATIONAL MORTGAGE ASSOC 1.125% NTS	3.18%	1.12	12/4/2016
3132GSCE7	FHLMCGLD MORTPASS 3.5% 01/MAR/2042 Q0 PN# Q06969	2.33%	3.50	1/3/2042
313396H97	FEDL HOME LLN MTG CORP DISC NT MATURES 01/OCT/2012	2.26%	0.00	1/10/2012
912828AU4	US TREAS NTS 3.875% 15/FEB/2013	1.88%	3.88	15/2/2013
31359MNU3	FANNIE MAE 5.25% 01/AUG/2012	1.86%	5.25	1/8/2012
912828HV5	UNITED STATES TREAS NTS 2.5% 31/MAR/2013	1.85%	2.50	31/3/2013

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

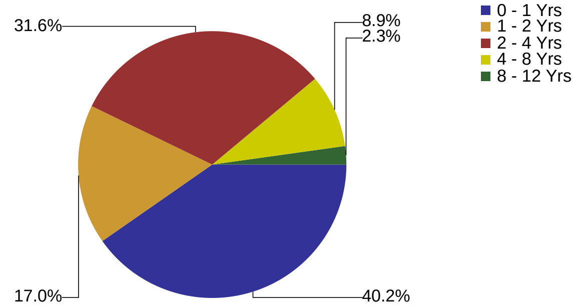
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)

Portfolio Fact Sheet
July 2012

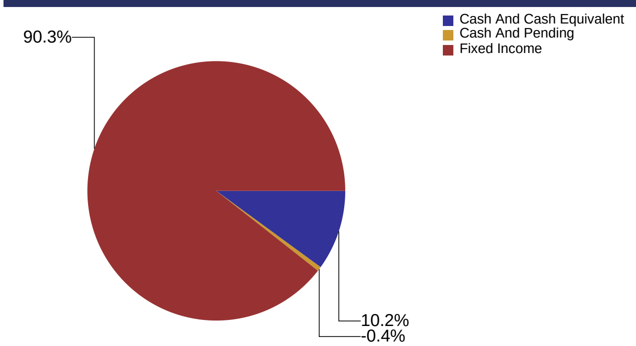
Portfolio Characteristics

Total Net Assets (Millions)	**288.4**
Weighted Average Life (Years)	**3.15**
Weighted Avg. Effective Duration (Years)	**1.95**
Weighted Average Rating	**AA**
Number of Holdings	**123**

Duration Mix



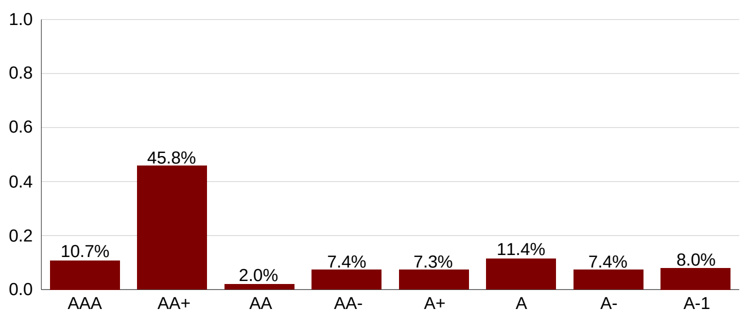
Asset Mix



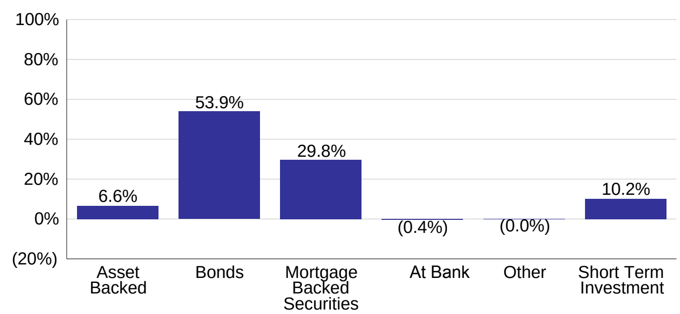
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
191216AN0	COCA-COLA CO 0.75% SNR NTS 15/NOV/2013 USD1000	2.78%	0.75	15/11/2013
3133EAJR0	FEDERAL FARM CR BKS CONS BD 1.99% 26/MAR/2018	2.45%	1.99	26/3/2018
92343VAY0	VERIZON COMMUNICATIONS INC 3% BDS 01/APR/2016	1.87%	3.00	1/4/2016
59217GAF6	METROPOLITAN LIFE GLOBAL FUNDING I FRN 10/JAN/2014	1.73%	1.21	10/1/2014
06423RBK1	BANK ONE ISSUANCE TRUST SER 2004-A3 CL A3	1.73%	0.42	15/2/2017
74977MZ81	RABOBANK NEDERLAND CERTIFICATE OF DEPOSIT VARIABLE	1.73%	0.00	2/5/2013
41068KK56	HANNOVER FDG CO. LLC CORPORATE COMMERCIAL PAPER	1.72%	0.00	5/10/2012
96442LKV8	WHITE POINT FDG INC. CORPORATE COMMERCIAL PAPER	1.72%	0.00	29/10/2012
36962G5T7	GENERAL ELEC CAP CORP MTN BE SR FIX/FLT NT 16	1.72%	1.55	8/2/2016
532457AN8	LILLY(ELI)& CO 6.57% NTS 01/JAN/2016 USD1000	1.71%	6.57	1/1/2016

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

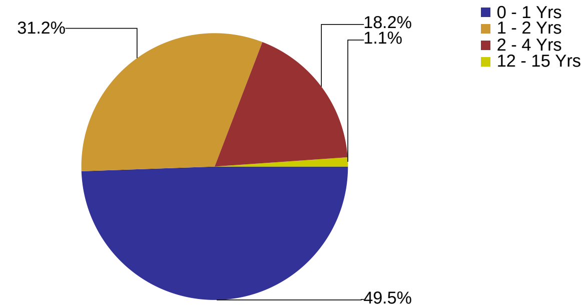
State of Arizona - Pool 15 (GADA) (10327600)

Portfolio Fact Sheet
July 2012

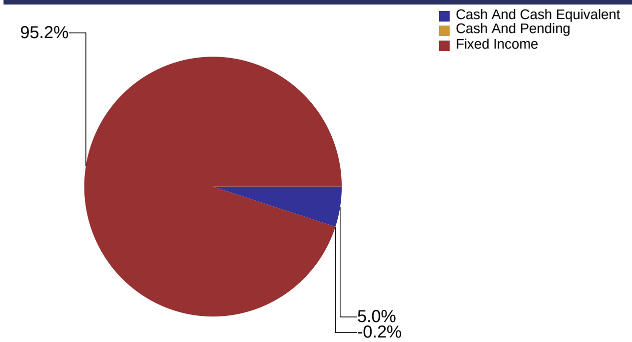
Portfolio Characteristics

Total Net Assets (Millions)	**12.4**
Weighted Average Life (Years)	**4.03**
Weighted Avg. Effective Duration (Years)	**1.14**
Weighted Average Rating	**AA+**
Number of Holdings	**28**

Duration Mix



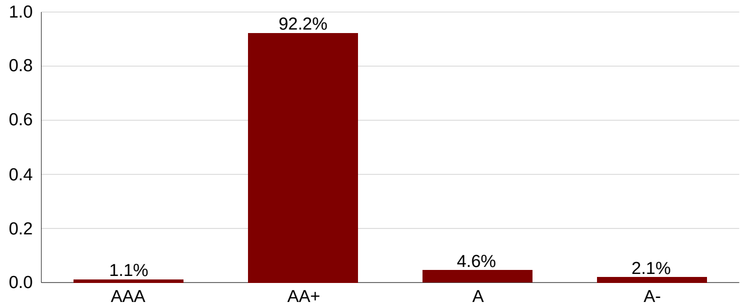
Asset Mix



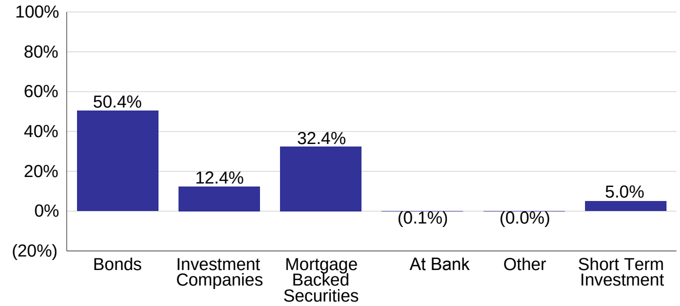
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
958268S	LONG TERM GOV'T POOL	12.34%	0.00	31/12/2049
928989383	JP MORGAN U S GOVT MMF AGENCY SHARES	4.97%	0.00	31/12/2049
3133XUQ48	FEDERAL HOME LOAN BANKS CONS BD 3.8% 14/SEP/2016	4.93%	3.80	14/9/2016
3137ALQW2	FREDDIE MAC 3999 TA 4.000% 15/NOV/2034	4.58%	4.00	15/11/2034
10138MAH8	BOTTLING 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	4.35%	3.50	15/2/2026
31294KTB1	FEDERAL HOME LN MTG CORP GOLD POOL # EO1446 DTD	4.21%	4.50	1/9/2018
3134G24S8	FEDERAL HOME LN MTG CORP CALL 2.25%14/NOV/2018	4.14%	2.25	14/11/2018
3128X6SL1	FEDERAL HOME LN MTG CORP CALL 5.25%13/DEC/2022	4.13%	5.25	13/12/2022
31331KL73	FEDERAL FARM CR BKS CONS BD 3.8% 02/NOV/2026	4.10%	3.80	2/11/2026

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



J.P.Morgan

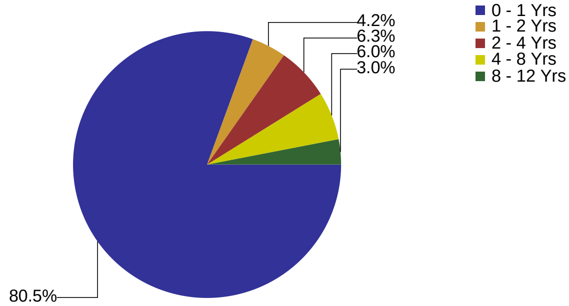
State of Arizona - Pool 16 (ECDH) (13074500)

Portfolio Fact Sheet
July 2012

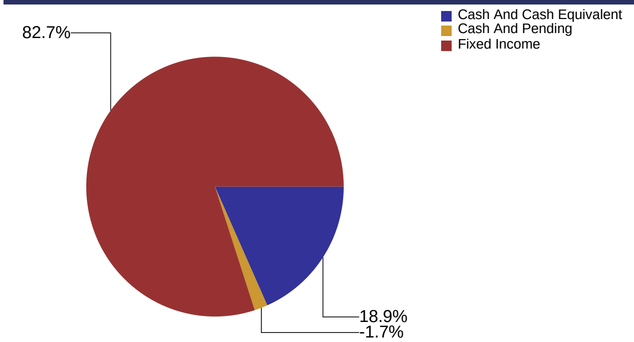
Portfolio Characteristics

Total Net Assets (Millions)	**329.2**
Weighted Average Life (Years)	**1.41**
Weighted Avg. Effective Duration (Years)	**0.83**
Weighted Average Rating	**AA**
Number of Holdings	**86**

Duration Mix



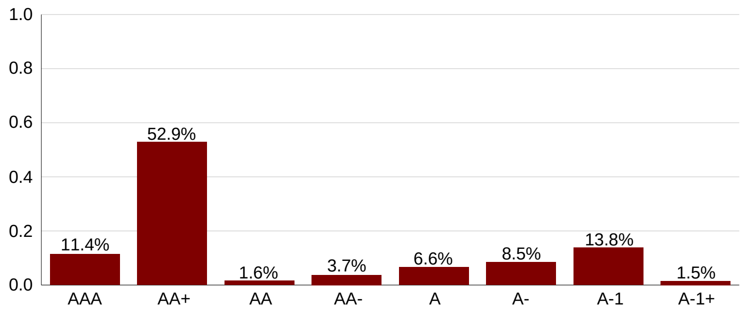
Asset Mix



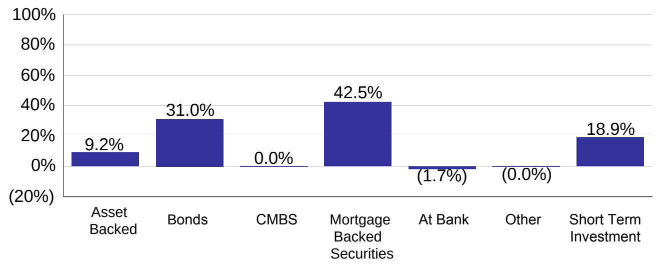
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137APUK4	FREDDIE MAC 4045 HP 3.500% 15/MAY/2042	3.28%	3.50	15/5/2042
31398NY24	FANNIE MAE 2010-123B PM 4.000% 25/JUL/2040	2.00%	4.00	25/7/2040
63534PAH0	NATIONAL CITY BANK(CLEVELAND) FLTG RATE NTS	1.96%	0.84	7/6/2017
3133EAJR0	FEDERAL FARM CR BKS CONS BD 1.99% 26/MAR/2018	1.96%	1.99	26/3/2018
852990Q29	TRI-PARTY REPO SOUTH STREET 0.22% 01/AUG/2012	1.79%	0.22	1/8/2012
31398T7A3	FANNIE MAE 2010-113 LV 4.000% 25/JUN/2030	1.73%	4.00	25/6/2030
3137AL2X6	FREDDIE MAC 3990 BH 3.500% 15/JAN/2032	1.70%	3.50	15/1/2032
38377XC75	GINNIE MAE 2011-133 MN 3.500% 16/APR/2035	1.62%	3.50	16/4/2038
38102JHM0	GOLDEN FUNDING CORP CORPORATE COMMERCIAL PAPER	1.60%	0.00	21/8/2012
46625YXT5	JP MORGAN CHASE COMMERCIAL MORTGAGE SECURITIES	1.60%	5.24	15/12/2044

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



OPERATING MONIES
AVERAGE INVESTED BALANCE
Through July 31, 2012
(in millions of dollars)

Month	Fiscal Year 2010/2011	Fiscal Year 2011/2012	Fiscal Year 2012/2013
JULY	1,077	1,209	1,817
AUGUST	761	818	
SEPTEMBER	590	744	
OCTOBER	358	668	
NOVEMBER	570	858	
DECEMBER	592	979	
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**	**$1,817**

EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
JULY 2012

Recipient		Distributed in Current Month JULY 2012	Fiscal YTD 12/13	Fiscal YTD 11/12
101	A & M Colleges	$13,923	$13,923	$21,267
102	State Hospital	$8,107	$8,107	$11,786
103	Leg., Exec., & Jud.	$11,841	$11,841	$17,471
104	Military Institute	$860	$860	$1,240
105	Miners Hospital	$20,736	$20,736	$28,238
107	Normal School ASU/NAU	$5,067	$5,067	$7,271
108	Penitentiaries	$22,867	$22,867	$28,159
109	Permanent Common School	$4,456,288	$4,456,288	$6,267,394
110	School for Deaf & Blind	$7,377	$7,377	$10,439
111	School of Mines	$16,212	$16,212	$24,145
112	State Charitable-Pioneers Home	$71,865	$71,865	$109,528
112	State Charitable-Corrections	$35,933	$35,933	$54,764
112	State Charitable-Youth Treatment	$35,933	$35,933	$54,764
113	University Fund	$26,441	$26,441	$38,553
114	U of A Land - 1881	$58,053	$58,053	$82,253
	Total	**$4,791,502**	**$4,791,502**	**$6,757,272**

Posted in USAS in current month

ENDOWMENT FUNDS
PORTFOLIO YIELD ANALYSIS
JULY 31, 2012

NET EARNINGS

FUND	DESCRIPTION	Current Month 07/31/12	Prior Month 06/30/12	Prior Year 7/31/11
205	**ENDOWMENTS - FIXED INCOME**	$4,060,507	$3,799,704	**$4,478,304**

YIELDS

MONTHLY		Current Month 07/31/12	Prior Month 06/30/12	Prior Year 7/31/11
205	**ENDOWMENTS - FIXED INCOME**	6.00%	5.61%	**6.20%**

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund		Jul-12 NET GAIN(LOSS)	Jul-11 NET GAIN(LOSS)
Fixed Income Pool		(306,502)	164,837
Equity Pool (500)		932,588	411,598
Equity Pool (400)		127,427	3,335,911
Equity Pool (600)		(95,948)	181,277
	Totals	**657,565**	**4,093,623**

Endowment Fund		2012/2013 FISCAL YEAR TO DATE GAINS(LOSSES)	2011/ 2012 FISCAL YEAR TO DATE GAINS(LOSSES)
Fixed Income Pool		(306,502)	164,837
Equity Pool (500)		932,588	411,598
Equity Pool (400)		127,427	3,335,911
Equity Pool (600)		(95,948)	181,277
	Totals	**657,565**	**4,093,623**

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

I. Endowment Funds Purchases

SECURITY DESCRIPTION	RATE	MATURITY	*WAL YEARS	PAR VALUE	PURCHASE COST	YIELD	MOODY'S / S&P RATING
TOTAL ENDOWMENT FUNDS PURCHASES				**$0**	**$0**		

II. Endowment Funds Sales

SECURITY DESCRIPTION	RATE	MATURITY	PAR VALUE	AMORTIZED COST/PROCEEDS	SALES GAINS/(LOSSES)	MOODY'S / S&P RATING
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 July 2012

I. Equity Fund Purchases

	SHARES	PURCHASE COST	COMMISSIONS
S&P 400 Mid-Cap Fund	66,591	$3,903,403	$499
S&P 500 Large-Cap Fund	37,683	$3,058,674	$280
S&P 600 Small-Cap Fund	51,216	$953,951	$372
TOTAL EQUITY PURCHASES	**155,490**	**$7,916,028**	**$1,152**

II. Equity Funds Sales

	SHARES	SALES AMOUNT	COMMISSIONS
S&P 400 Mid-Cap Fund	62,801	$2,045,730	$486
S&P 500 Large-Cap Fund	4,713	$115,860	$23
S&P 600 Small-Cap Fund	59,096	$682,964	$117
TOTAL EQUITY SALES	**126,610**	**$2,844,554**	**$626**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING

JULY 31, 2012
(In Thousands)

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
101	A & M Colleges					
	Shares in Equity Pools	557	3,850	5,605	1,756	
	Shares in Fixed Income Pools	4,006	2,513	4,054	1,541	
	Total	4,562	6,363	9,660	3,297	**1.518**
102	State Hospital					
	Shares in Equity Pools	353	2,438	3,550	1,112	
	Shares in Fixed Income Pools	2,411	1,595	2,440	845	
	Total	2,764	4,033	5,990	1,957	**1.485**
103	Leg., Exec., & Jud.					
	Shares in Equity Pools	451	3,372	4,546	1,174	
	Shares in Fixed Income Pools	3,474	2,208	3,516	1,308	
	Total	3,925	5,580	8,062	2,482	**1.445**
104	Military Institute					
	Shares in Equity Pools	30	217	300	83	
	Shares in Fixed Income Pools	235	141	238	97	
	Total	265	358	539	180	**1.503**
105	Miners Hospital					
	Shares in Equity Pools	1,101	8,863	11,089	2,226	
	Shares in Fixed Income Pools	7,597	5,877	7,689	1,812	
	Total	8,698	14,741	18,778	4,038	**1.274**
107	Normal School ASU/NAU					
	Shares in Equity Pools	204	1,495	2,056	561	
	Shares in Fixed Income Pools	1,477	980	1,495	516	
	Total	1,682	2,475	3,551	1,077	**1.435**
108	Penitentiaries					
	Shares in Equity Pools	686	4,849	6,905	2,056	
	Shares in Fixed Income Pools	4,752	3,215	4,810	1,595	
	Total	5,438	8,064	11,715	3,651	**1.453**

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

	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
109	Permanent Common School					
	Shares in Equity Pools	191,736	1,456,056	1,930,695	474,639	
	Shares in Fixed Income Pools	1,356,742	975,310	1,373,195	397,885	
	Total	1,548,478	2,431,367	3,303,890	872,524	**1.359**
110	School for Deaf & Blind					
	Shares in Equity Pools	289	2,100	2,911	811	
	Shares in Fixed Income Pools	2,155	1,378	2,181	803	
	Total	2,444	3,478	5,092	1,614	**1.464**
111	School of Mines					
	Shares in Equity Pools	623	4,609	6,274	1,665	
	Shares in Fixed Income Pools	4,608	3,048	4,664	1,616	
	Total	5,231	7,657	10,938	3,281	**1.429**
112	State Charitable					
	Shares in Equity Pools	6,194	45,931	62,368	16,437	
	Shares in Fixed Income Pools	43,077	30,830	43,599	12,769	
	Total	49,271	76,761	105,967	29,206	**1.380**
113	University Fund					
	Shares in Equity Pools	1,040	7,668	10,471	2,803	
	Shares in Fixed Income Pools	7,668	5,049	7,761	2,712	
	Total	8,707	12,717	18,232	5,515	**1.434**
114	U Of A Land - 1881					
	Shares in Equity Pools	2,908	22,493	29,285	6,792	
	Shares in Fixed Income Pools	21,189	15,026	21,446	6,420	
	Total	24,097	37,519	50,731	13,212	**1.352**
	TOTALS - ALL FUNDS					
	Shares in Equity Pools	206,171	1,563,941	2,076,056	512,115	
	Shares in Fixed Income Pools	1,459,392	1,047,171	1,477,090	429,919	
	Grand Total	**1,665,564**	**2,611,112**	**3,553,145**	**942,034**	
	PRIOR YEAR: JULY 2011 BALANCES	**1,664,187**	**2,491,842**	**3,256,280**	**764,438**	

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
JULY 31, 2012

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	**JULY 2011 MARKET VALUE**
Shares in Equity Pools	12.38%	59.90%	58.43%	**54.33%**
Shares in Fixed Income Pools	87.62%	40.10%	41.57%	**45.67%**
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

J.P.Morgan

Performance Worksheet

Arizona State Treasury (05509)

As of July 2012

Gross of Fee

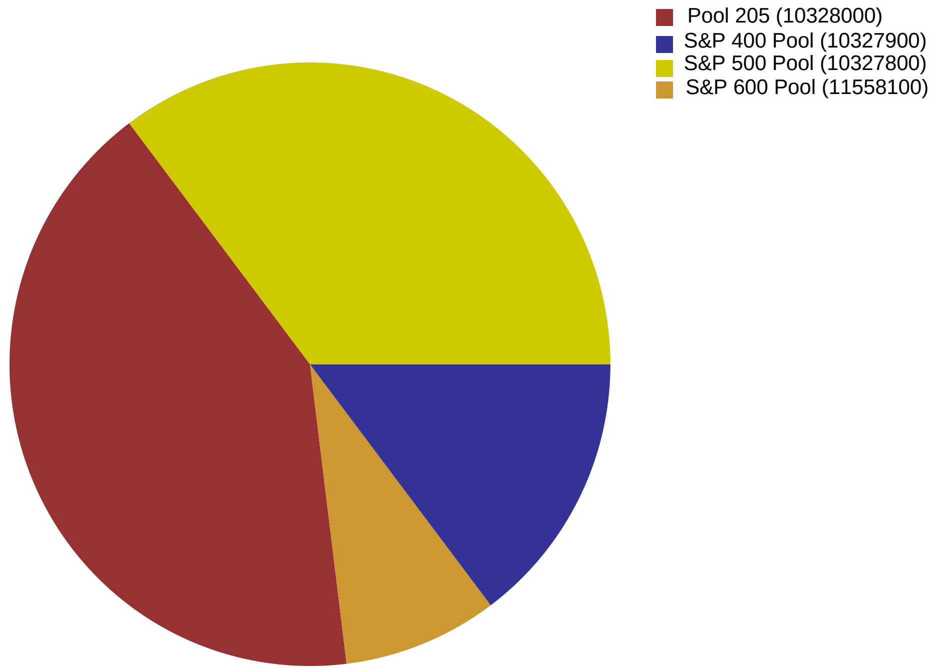
Total Endowment Fund Composite (00550902)

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	1,241,134,008.79	1,256,745,452.24	-1,246,900	1.36	(0.78)	10.99	1.36	9.08	14.11	1.24	1.21	07/01/1999
10327900	S&P 400 Pool	519,423,990.40	518,682,301.96	-534,386	(0.04)	(4.71)	7.98	(0.04)	1.40	15.73	3.09	7.08	08/01/2001
10328000	Pool 205	1,460,800,258.74	1,477,089,482.24	-1,425,028	1.21	2.02	3.33	1.21	6.03	5.50	6.15	6.06	07/01/1999
11558100	S&P 600 Pool	303,278,374.79	300,627,873.35	-356,257	(0.76)	(3.07)	7.21	(0.76)	4.05			2.40	03/01/2011
00550902	**Total Endowment Fund Composite**	**3,524,636,632.72**	**3,553,145,109.79**	**-3,562,570**	**0.91**	**(0.44)**	**6.93**	**0.91**	**6.71**	**9.73**	**4.03**	**5.18**	**07/01/1999**

J.P.Morgan

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

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,477.09	41.6%
S&P 400 Pool (10327900)	518.68	14.6%
S&P 500 Pool (10327800)	1,256.75	35.4%
S&P 600 Pool (11558100)	300.63	8.5%
TOTAL	**3,553.15**	**100.0%**



J.P.Morgan

S&P 500 Pool(10327800)

Portfolio Fact Sheet
July 2012

Portfolio Characteristics

Total Asset Value (in Millions)	**1,256.7**
P/E Ratio	**15.13**
Price to Book Ratio	**2.08**
Dividend Yield (%)	**2.28**
Return on Equity (%)	**65.95**
Sales Growth (%)	**7.83**
Market Capitalization ($ Millions)	**110,764.52**
Earnings per Share ($)	**5.76**
Number of Holdings	**502**

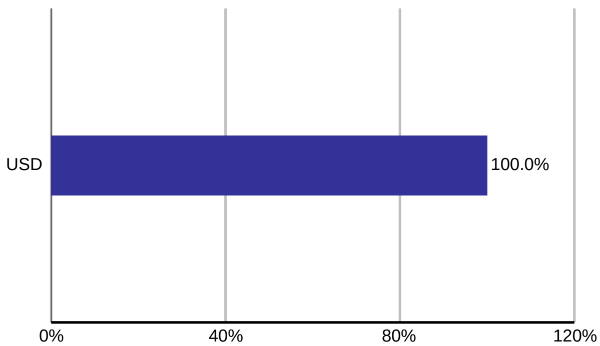
Risk Measures

	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Tracking Error	0.06	0.10	0.21	1.67
Information Ratio	(0.87)	(0.17)	0.53	(0.40)
Std Deviation of Port.	17.93	15.63	19.07	16.21
Std Deviation of Bench.	17.96	15.68	19.16	16.09
Sharpe Ratio of Port.	0.50	0.89	0.02	(0.08)
Sharpe Ratio of Bench.	0.50	0.89	0.01	(0.04)
R-Squared	1.00	1.00	1.00	0.99
Jensen's Alpha	(0.03)	0.03	0.11	(0.67)

Top Ten Portfolio Holdings

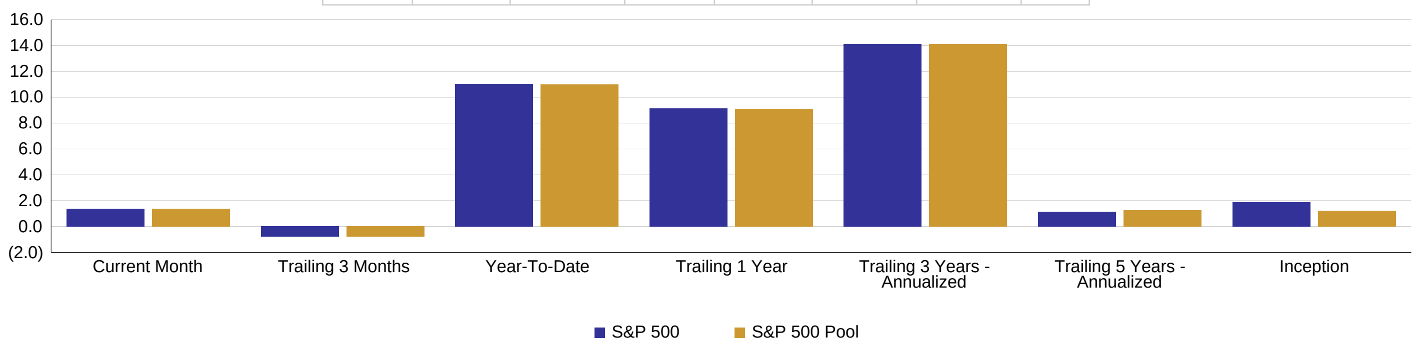
Security ID	Security Name	% of Assets
037833100	APPLE INC - COM NPV	4.42%
78462F103	SPDR S&P 500 ETF TRUST	3.33%
30231G102	EXXON MOBIL CORP - COM NPV	3.15%
459200101	INTL BUSINESS MACHINES CORP - COM USD.2	1.75%
00206R102	AT&T INC - COM USD1	1.74%
594918104	MICROSOFT CORP - COM USD.00000625	1.71%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.70%
166764100	CHEVRON CORP - COM USD3	1.68%
478160104	JOHNSON & JOHNSON - COM USD1	1.47%
191216100	COCA-COLA CO - COM USD.5	1.41%

Top Ten Currency Weights

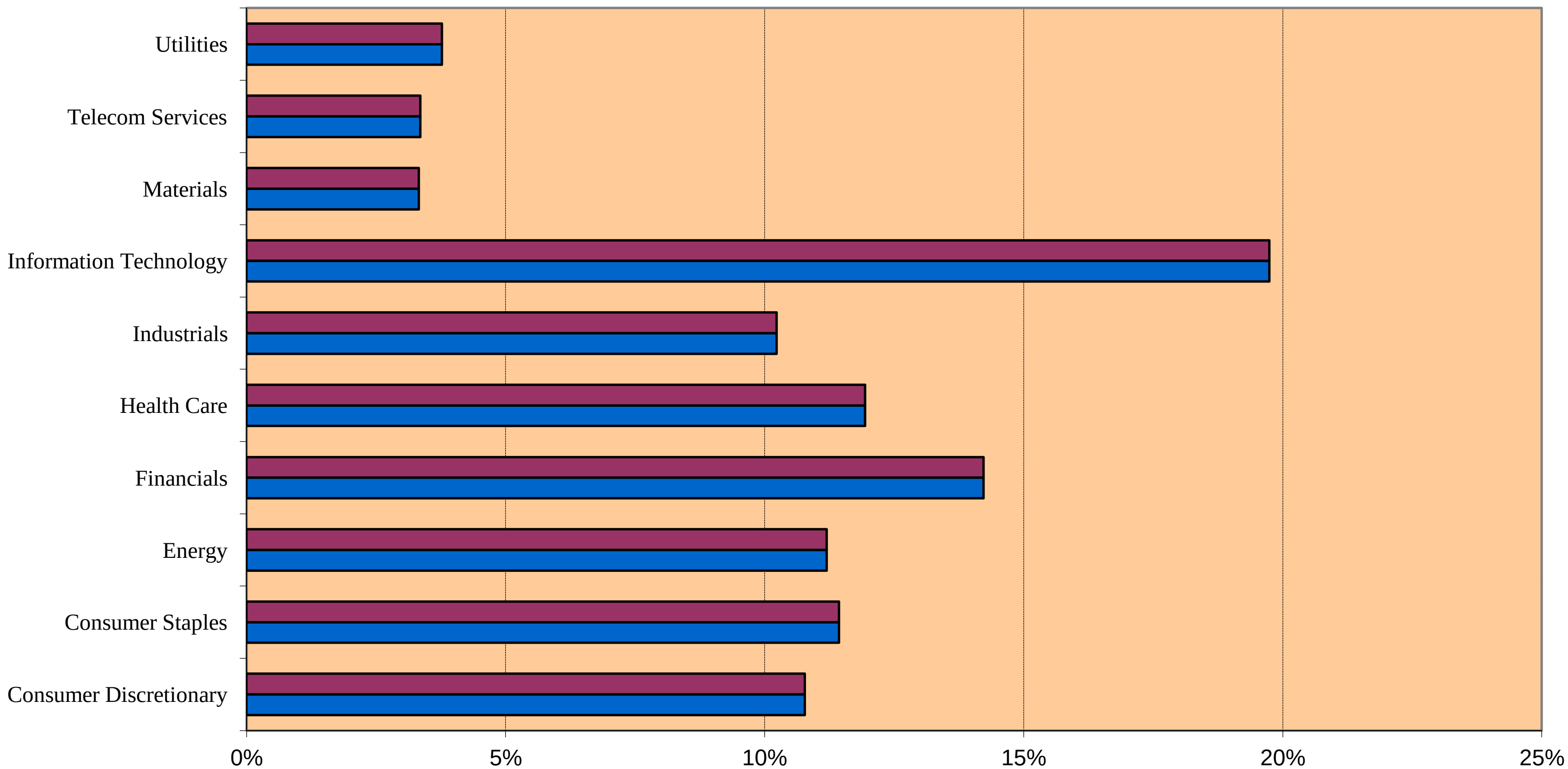


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	1.36	(0.78)	10.99	9.08	14.11	1.24	1.21
S&P 500	1.39	(0.78)	11.01	9.13	14.13	1.13	1.89
Excess	(0.03)	(0.01)	(0.02)	(0.05)	(0.02)	0.11	(0.67)



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



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
S&P 500 Index	10.77%	11.43%	11.20%	14.23%	11.94%	10.23%	19.74%	3.33%	3.35%	3.77%
STATE OF ARIZONA - POOL 201	10.77%	11.43%	11.20%	14.23%	11.94%	10.23%	19.74%	3.33%	3.35%	3.77%

S&P 500 Index   STATE OF ARIZONA - POOL 201

J.P.Morgan

S&P 400 Pool(10327900)

Portfolio Fact Sheet
July 2012

Portfolio Characteristics

Total Asset Value (in Millions)	**518.7**
P/E Ratio	**16.79**
Price to Book Ratio	**1.97**
Dividend Yield (%)	**1.47**
Return on Equity (%)	**13.70**
Sales Growth (%)	**6.41**
Market Capitalization ($ Millions)	**3,645.41**
Earnings per Share ($)	**2.37**
Number of Holdings	**402**

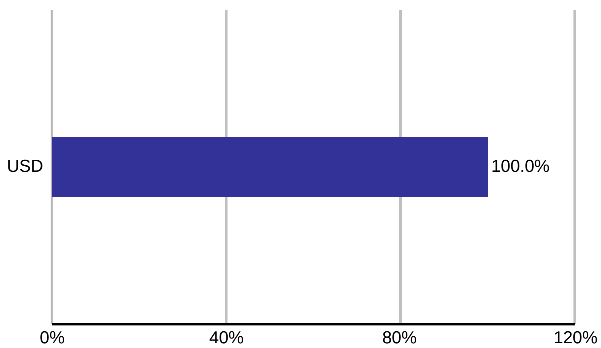
Risk Measures

	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Tracking Error	0.06	0.70	2.04	2.05
Information Ratio	3.22	(0.47)	(0.18)	(0.01)
Std Deviation of Port.	22.46	18.74	22.09	17.66
Std Deviation of Bench.	22.50	18.93	22.80	18.60
Sharpe Ratio of Port.	0.06	0.83	0.10	0.29
Sharpe Ratio of Bench.	0.05	0.84	0.11	0.28
R-Squared	1.00	1.00	0.99	0.99
Jensen's Alpha	0.20	(0.16)	(0.27)	0.27

Top Ten Portfolio Holdings

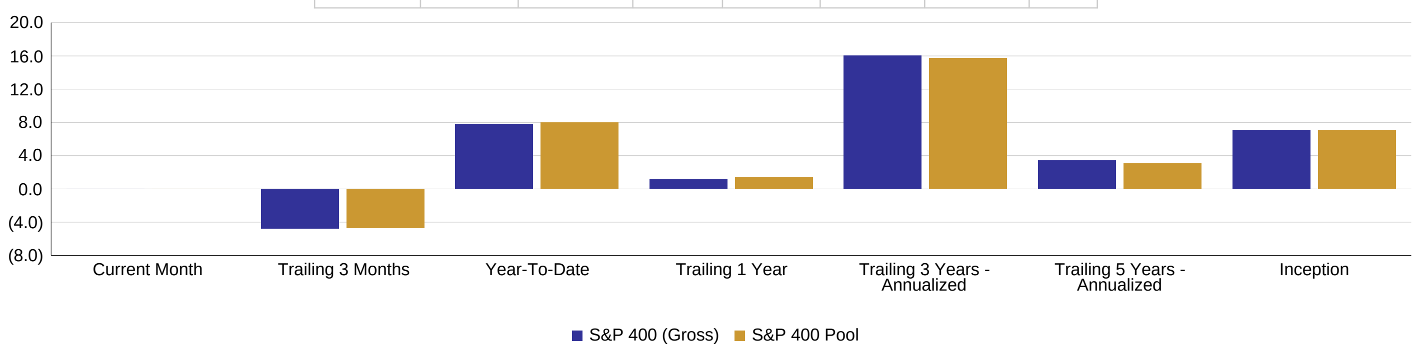
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	4.91%
75886F107	REGENERON PHARMACEUT - COM USD.001	0.89%
92532F100	VERTEX PHARMACEUTICALS INC - COM USD.01	0.87%
29444U502	EQUINIX INC - COM USD.001	0.73%
485170302	KANSAS CITY SOUTHERN - COM NPV	0.68%
171340102	CHURCH & DWIGHT INC - COM NPV	0.68%
554382101	MACERICH CO - COM USD.01	0.66%
436106108	HOLLYFRONTIER CORP - COM USD.01	0.66%
031100100	AMETEK INC - COM USD1	0.64%
716768106	PETSMART INC - COM USD.0001	0.61%

Top Ten Currency Weights

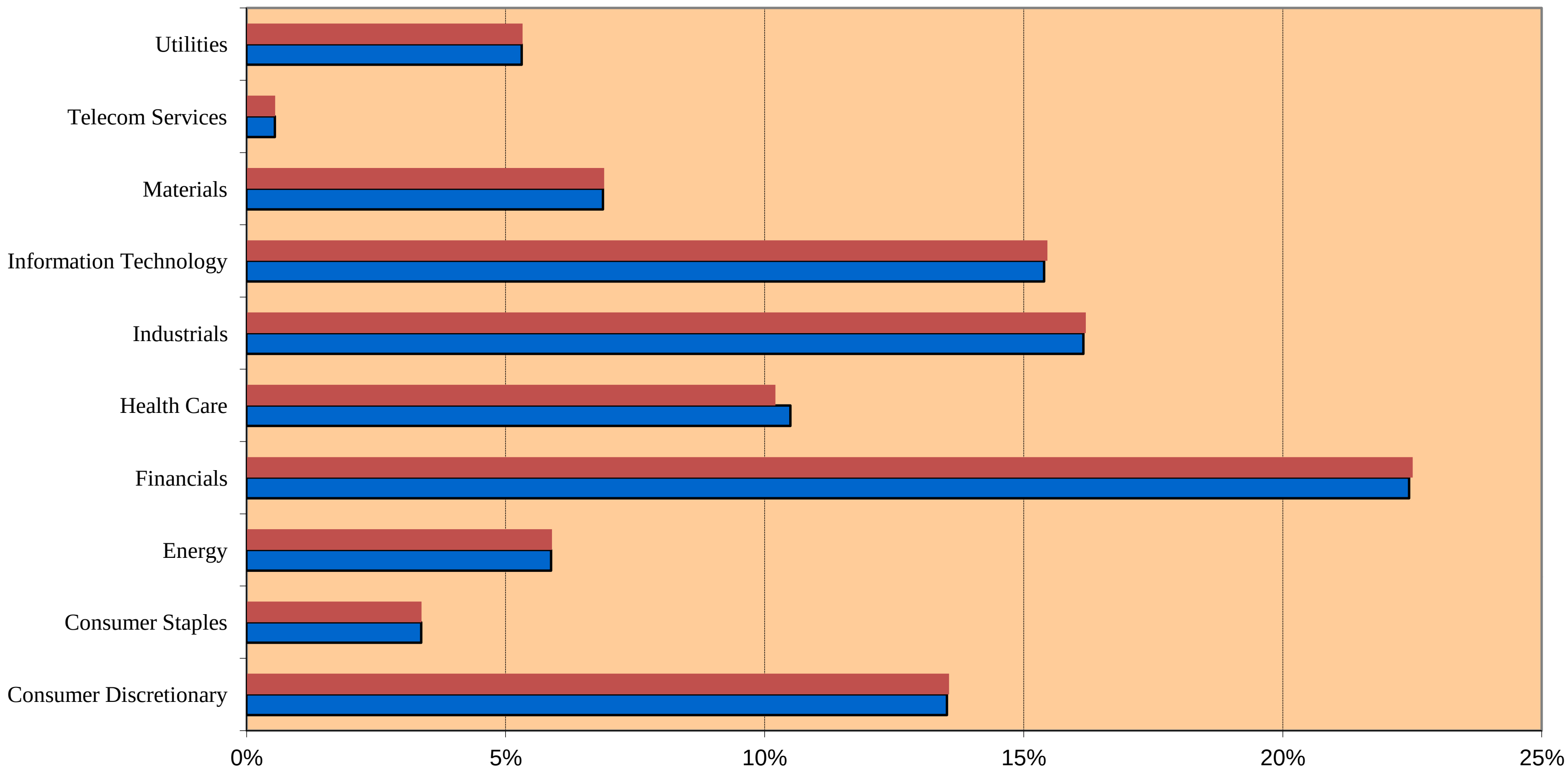


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	(0.04)	(4.71)	7.98	1.40	15.73	3.09	7.08
S&P 400 (Gross)	(0.04)	(4.76)	7.85	1.20	16.06	3.45	7.10
Excess	0.00	0.05	0.13	0.19	(0.33)	(0.36)	(0.01)



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



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
S&P MIDCAP 400	13.56%	3.38%	5.89%	22.51%	10.21%	16.20%	15.46%	6.90%	0.55%	5.33%
STATE OF ARIZONA - POOL 203	13.52%	3.37%	5.88%	22.44%	10.50%	16.15%	15.40%	6.88%	0.55%	5.31%

S&P MIDCAP 400 STATE OF ARIZONA - POOL 203

J.P.Morgan

S&P 600 Pool(11558100)

Portfolio Fact Sheet
July 2012

Portfolio Characteristics

Total Asset Value (in Millions)	**300.6**
P/E Ratio	**18.12**
Price to Book Ratio	**1.77**
Dividend Yield (%)	**1.23**
Return on Equity (%)	**11.98**
Sales Growth (%)	**7.20**
Market Capitalization ($ Millions)	**1,222.04**
Earnings per Share ($)	**1.57**
Number of Holdings	**601**

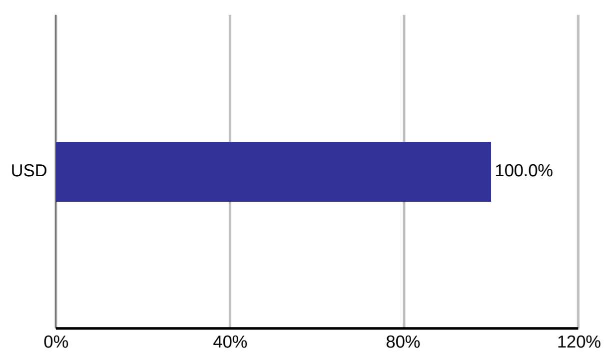
Risk Measures

	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Tracking Error	0.07	-	-	0.10
Information Ratio	0.84	-	-	(0.62)
Std Deviation of Port.	23.38	-	-	19.98
Std Deviation of Bench.	23.43	-	-	20.03
Sharpe Ratio of Port.	0.17	-	-	0.12
Sharpe Ratio of Bench.	0.17	-	-	0.12
R-Squared	1.00	-	-	1.00
Jensen's Alpha	0.07	-	-	(0.06)

Top Ten Portfolio Holdings

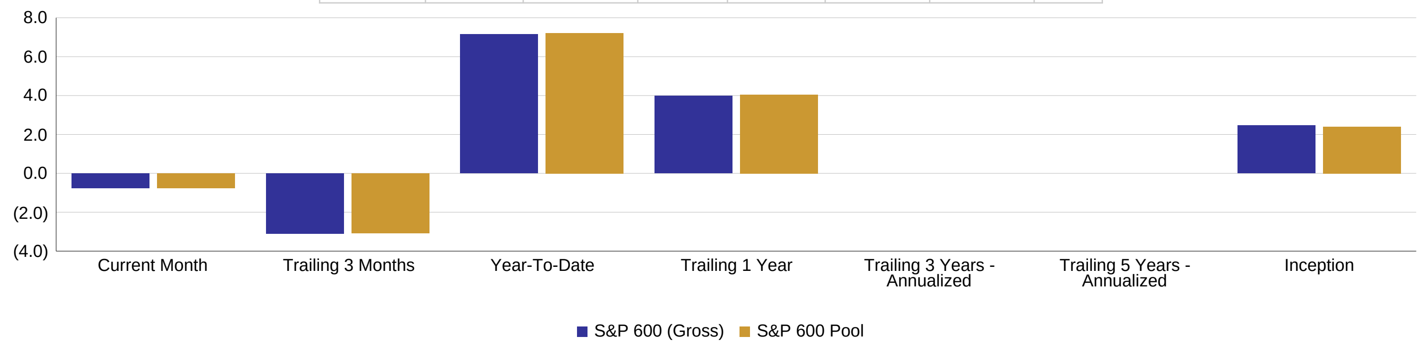
Security ID	Security Name	% of Assets
464287804	ISHARES TRUST S&P SMALLCAP 600 INDEX FUND	3.67%
30225T102	EXTRA SPACE STORAGE INC - COM USD.01	0.68%
49427F108	KILROY REALTY CORP - COM USD.01	0.65%
875465106	TANGER FACTORY OUTLET CTRS - COM USD.01	0.60%
59522J103	MID-AMERICA APT CMNTYS INC - COM USD.01	0.57%
737464107	POST PROPERTIES INC - COM USD.01	0.55%
74267C106	PROASSURANCE CORP - COM NPV	0.55%
229678107	CUBIST PHARMACEUTICALS INC - COM USD.001	0.55%
911163103	UNITED NATURAL FOODS INC - COM USD.01	0.53%
795435106	SALIX PHARMACEUTICALS LTD - COM NPV	0.52%

Top Ten Currency Weights

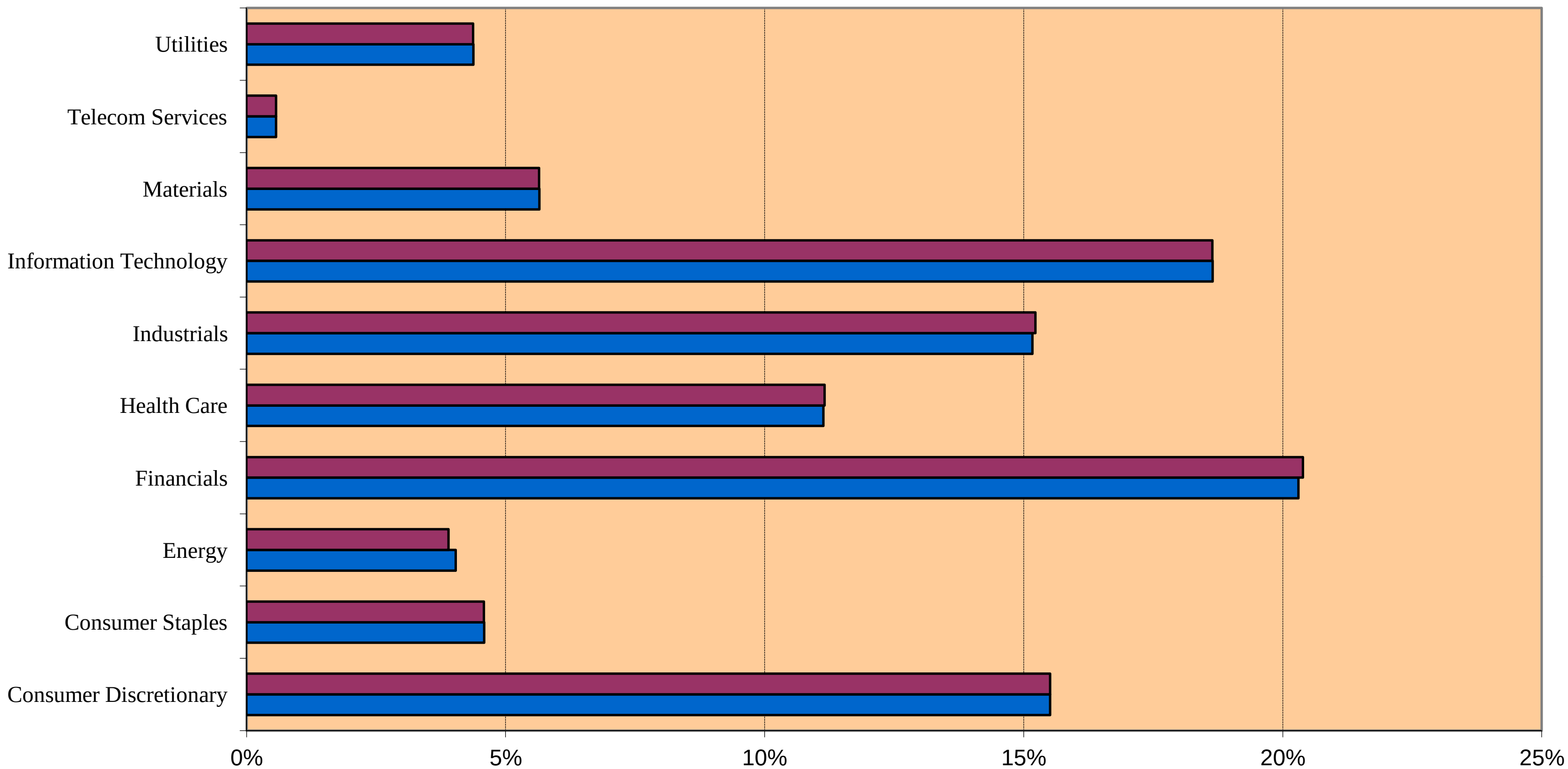


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 600 Pool	(0.76)	(3.07)	7.21	4.05			2.40
S&P 600 (Gross)	(0.77)	(3.10)	7.15	3.99			2.47
Excess	0.01	0.03	0.06	0.06	(0.00)	(0.00)	(0.06)



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



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
S&P 600 Index	15.51%	4.58%	3.90%	20.39%	11.16%	15.23%	18.64%	5.65%	0.57%	4.38%
STATE OF ARIZONA - POOL 204	15.51%	4.59%	4.04%	20.31%	11.13%	15.17%	18.65%	5.65%	0.57%	4.38%

S&P 600 Index   STATE OF ARIZONA - POOL 204

J.P.Morgan

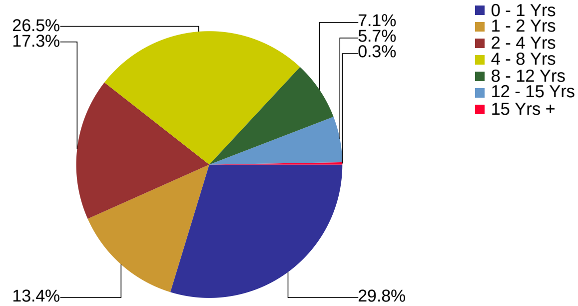
Pool 205 (10328000)

Portfolio Fact Sheet
July 2012

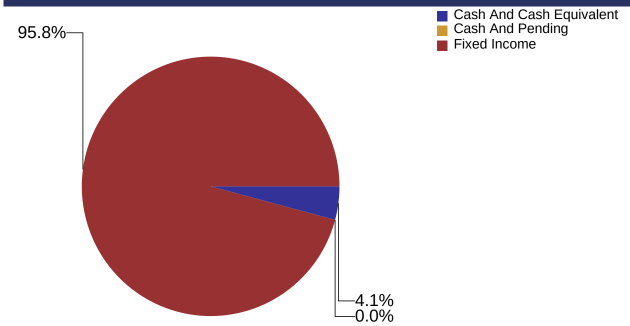
Portfolio Characteristics

Total Net Assets (Millions)	**1,477.1**
Weighted Average Life (Years)	**5.45**
Weighted Avg. Effective Duration (Years)	**3.74**
Weighted Average Coupon (%)	**4.30**
Weighted Average Current Yield (%)	**0.92**
Weighted Average Yield to Maturity (%)	**0.96**
Weighted Average Rating	**AA**
Number of Holdings	**253**

Duration Mix



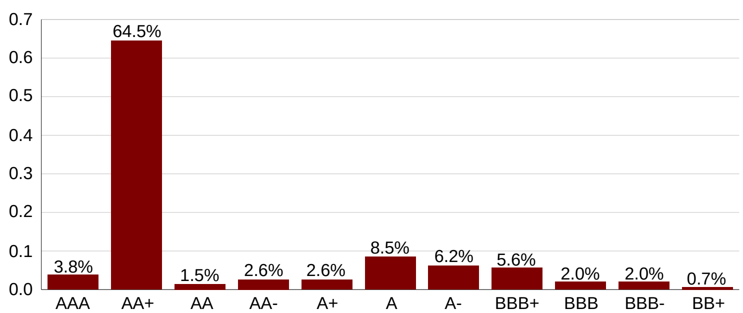
Asset Mix



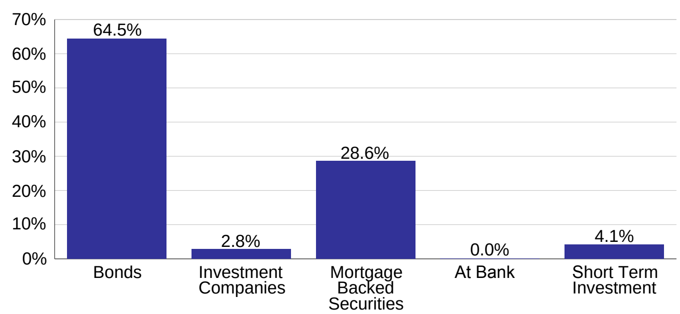
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	3.54%	0.00	31/12/2049
31359MQV8	FEDERAL NATIONAL MORTGAGE ASSOC 4.75% BDS	1.42%	4.75	21/2/2013
947513BB	LONG TERM POOL	1.41%	0.00	31/12/2049
958268S	LONG TERM GOV'T POOL	1.40%	0.00	31/12/2049
912810FA1	US 6.37500 '27	1.08%	6.38	15/8/2027
912810ED6	US 8.12500 '19	1.03%	8.12	15/8/2019
740816AD5	PRESIDENT & FELLOWS HARVARD COLLEGE 5.625% BDS	0.94%	5.62	1/10/2038
20825CAP9	CONOCOPHILLIPS 5.9% BDS 15/MAY/2038 USD1000	0.93%	5.90	15/5/2038
92343VAM6	VERIZON COMMUN 6.1% NTS 15/APR/2018 USD1000	0.85%	6.10	15/4/2018
59562VAT4	MIDAMERICAN ENERGY HLDGS 5.75% SNR NTS 01/APR/2018	0.83%	5.75	1/4/2018

Quality/Rating Weightings

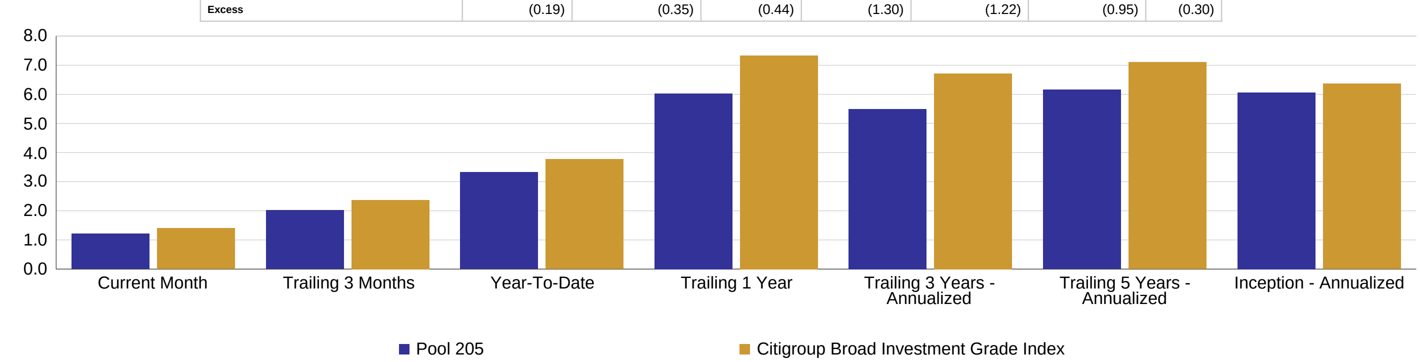


Sector Weightings (as % of Market Value)

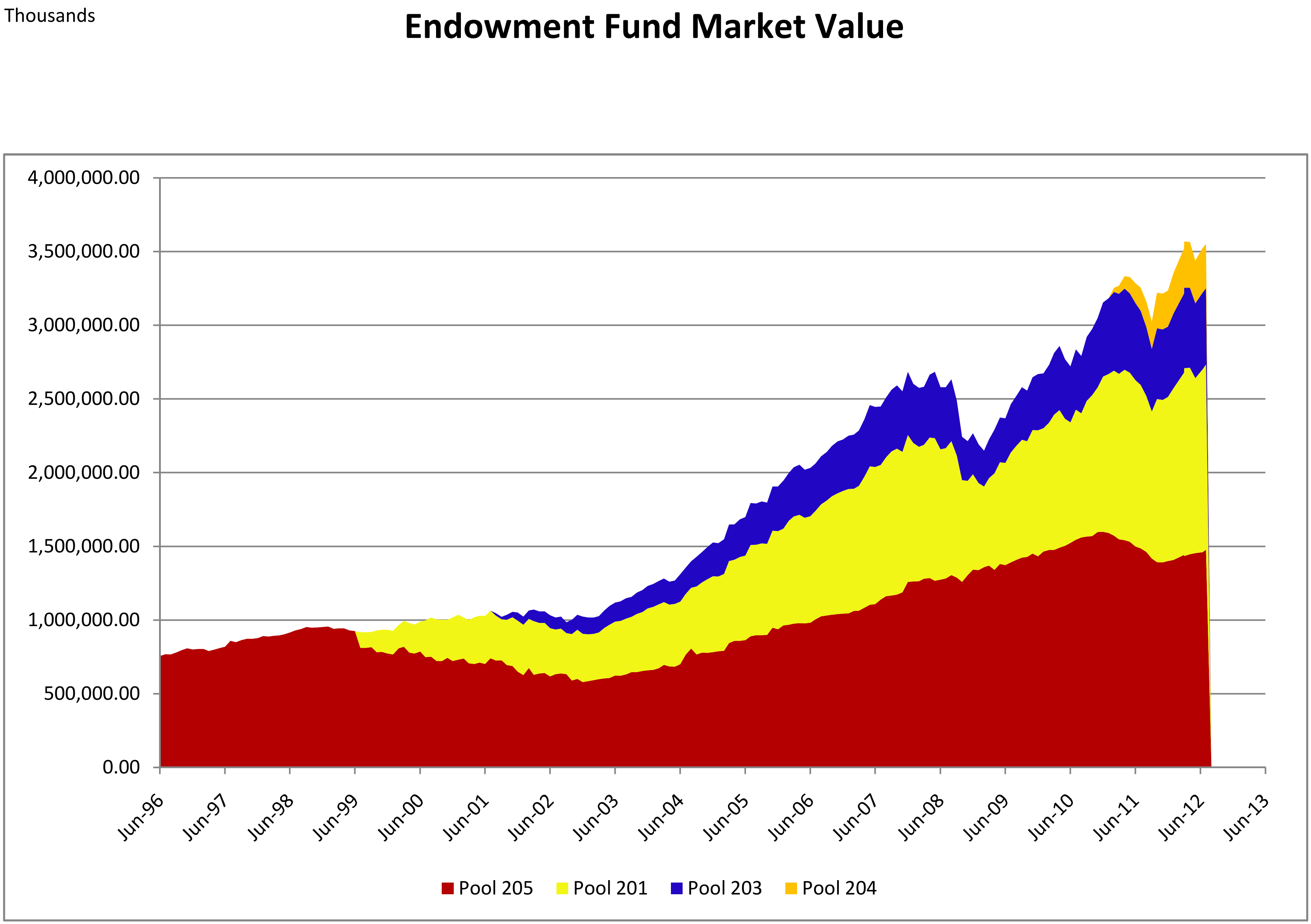


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	1.21	2.02	3.33	6.03	5.50	6.15	6.06
Citigroup Broad Investment Grade Index	1.40	2.37	3.77	7.33	6.72	7.11	6.36
Excess	(0.19)	(0.35)	(0.44)	(1.30)	(1.22)	(0.95)	(0.30)



Endowment Fund Market Value



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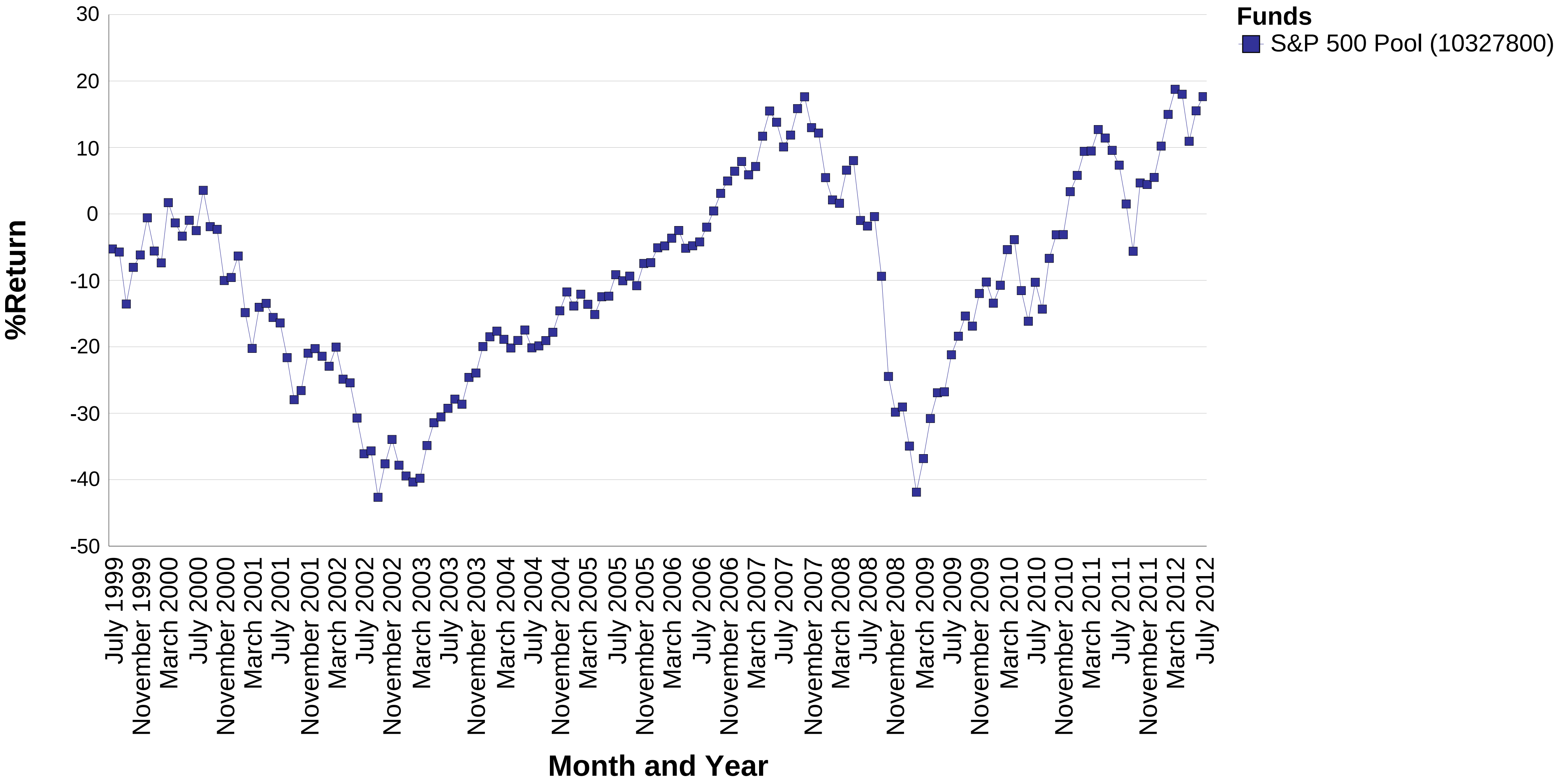
Performance Growth by Account

Arizona State Treasury (05509)

From **July 1999** to **July 2012**

Gross of Fee



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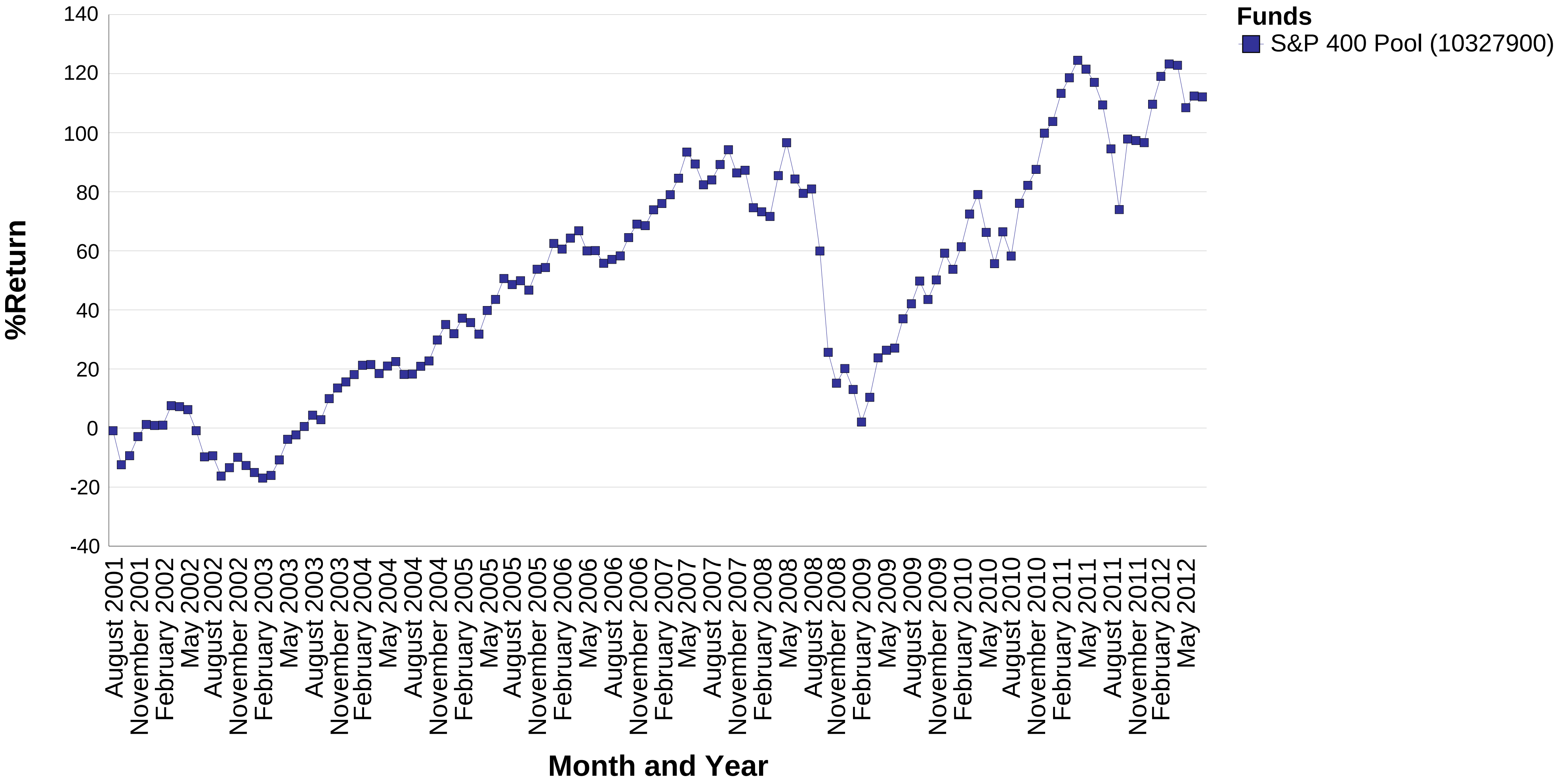
Performance Growth by Account

Arizona State Treasury (05509)

From **August 2001** to **July 2012**

Gross of Fee



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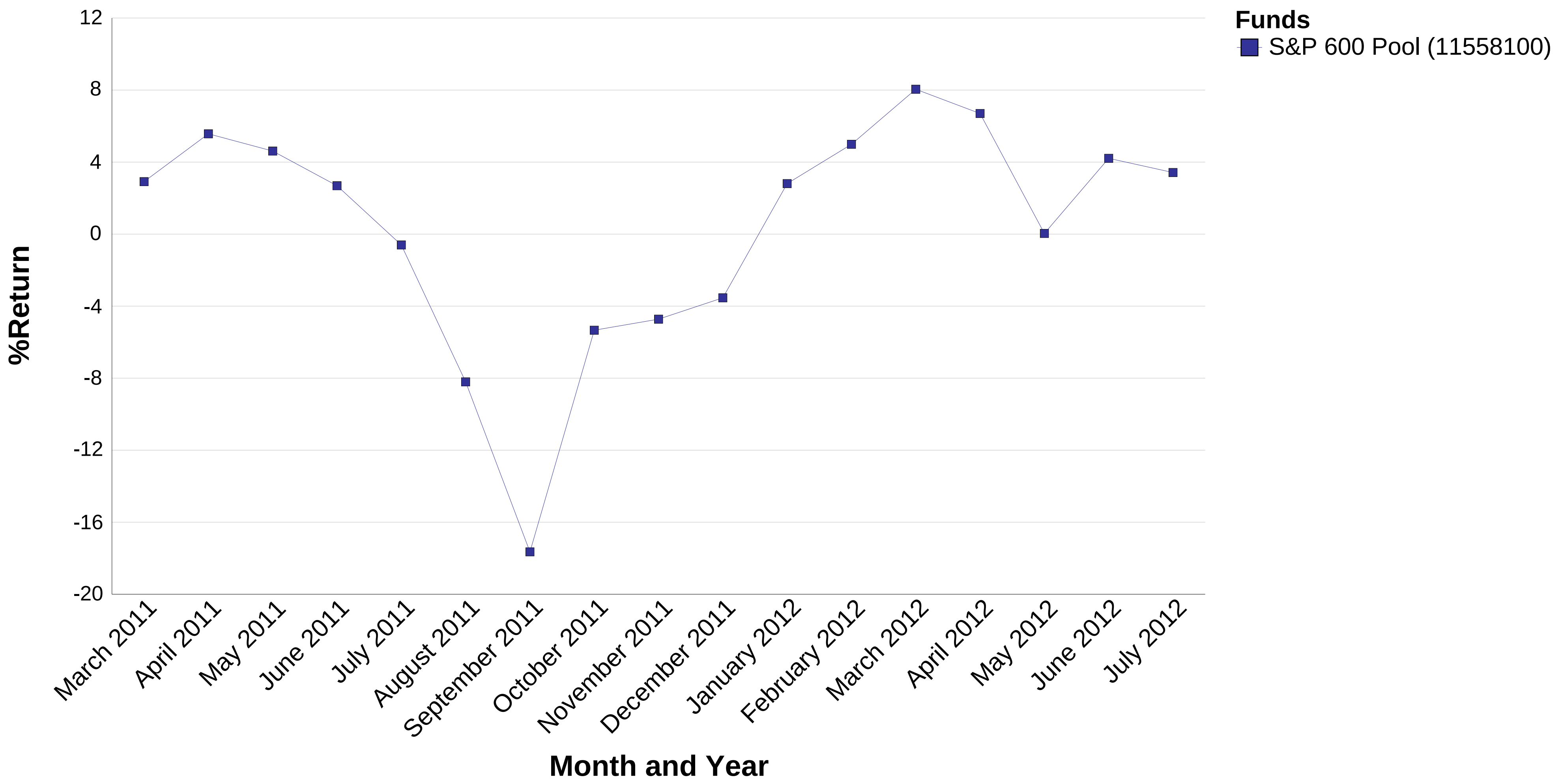
Performance Growth by Account

Arizona State Treasury (05509)

From **March 2011** to **July 2012**

Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)
From **July 1999** to **July 2012**
Gross of Fee