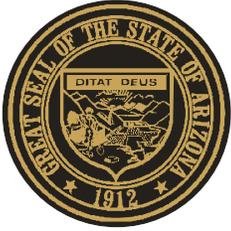


OFFICE OF THE
ARIZONA STATE TREASURER



Doug Ducey
TREASURER



NOVEMBER 2012

Presented To:

Arizona State Board of Investment

DECEMBER 20, 2012

STATE BOARD OF INVESTMENT

A G E N D A

December 20, 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

December 20, 2012

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on November 27, 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 1:32 p.m.

Members Present:

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

Others Present:

Mark Swenson, Deputy Treasurer, 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

Pursuant to A.R.S. 35-311, the following reports for October, 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 November 27, 2012 BOI meeting to order at approximately 1:32 pm.

2. Treasurers Comments:

Treasurer Ducey welcomed the board members and guests and thanked all present for attending the November 27, 2012 meeting. Treasurer Ducey also congratulated Brian McNeil on his new appointment as Director of Arizona Department of Administration and welcomed him to the Board of Investment.

3. *Approval of Minutes:*

Mr. Papp made a motion to approve the October 23, 2012 minutes. Ms. Ford 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 October, 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 October, 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 October, 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 October 31, 2012.

LGIP Pools Investments and Performance Reports

Mr. Petkiewicz reported the total net assets, the weighted average life, the weighted average rating, and the total number of holdings on the LGIP, LGIP-Gov, and LGIP Medium Term pools for the month of October, 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 October, 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 October 31, 2012.

Treasurer Ducey asked Ms. Humbert to explain the reason for the total decrease in earnings from the past month, not specific to any particular pool. Ms. Humbert explained that this is a result of the funds going down, stating that there are \$300M less funds to invest this month over last month, bringing the yields down slightly. Ms. Humbert added that the yields in general are coming down.

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 October 31, 2012.

Operating Monies Average Invested Balance

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

Treasurer Ducey asked for clarity on the Budget Stabilization line item on page 20 of the monthly report requesting that the record reflect the "Total Average Cash Available" line item, is the accurate number to be used in communication when addressing the total state cash available.

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 October, 2012.

Endowment Funds Yield Analysis

Mr. White reported the net yield of the Endowment Fund Fixed Income Pool for the month of October, 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 October, 2012 and FY12 fiscal year to date.

Endowment Funds Fixed-Income Pool Purchases & Sales

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

Equity Funds Purchases & Sales

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

Investments Outstanding in Endowment Funds

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

Performance of Investments in Endowment Funds

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

Manager Allocation of Invested Monies for the Endowment Pools

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

Equity Holdings Investments Outstanding S&P 500

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

Equity Holdings Investments Outstanding S&P 400

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

Equity Holdings Investments Outstanding S&P 600

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

Fixed Income Investments and Performance Reports

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

Approval of Treasurer's Report

Ms. Ford made a motion to approve the Treasurer's Report. Mr. McNeil 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:

There was no general business.

Treasurer Ducey noted that with the passage of Prop 118, the Review and Approval of the FY 2012-2013 Final Endowment Distribution will be presented at the December 20, 2012 Board Meeting.

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 Thursday, December 20, 2012 at 1:00 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

Mr. Papp made a motion to adjourn the BOI meeting. Mr. McNeil seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 1:55 p.m.

Respectfully Submitted by:

Barbara Conley
Executive Consultant II

*State Treasurer's Report
December 20, 2012 Meeting
Minutes of the November 27, 2012 Meeting*

Approved by:

Doug Ducey, Chair

Date

**EARNINGS DISTRIBUTION - INVESTMENT POOLS
 NOVEMBER 2012**

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	NOVEMBER 2012	Fiscal YTD 12/13	Fiscal YTD 11/12	
General Fund	\$942,513	\$5,328,061	\$3,290,736	
2 State Agencies - Full Faith & Credit	537,179	2,525,454	3,098,817	\$254,497
3 State Agencies - Diversified (<i>Combined</i>)	1,031,282	5,549,653	4,077,787	515,610
4 State Agencies - Gov	454,835	2,161,570	1,551,118	262,334
5 LGIP	239,981	1,140,587	995,752	305,587
7 LGIP Gov	163,225	743,674	394,723	339,961
12 CAWCD Medium-Term	461,623	2,457,662	2,608,805	70,809
15 GADA Long-Term	18,348	90,408	132,522	3,039
16 ECDH Medium-Term	487,012	2,304,249	0	90,411
Subtotal	\$4,335,999	\$22,301,318	\$16,150,260	\$1,842,248
NAV POOL				
500 LGIP - Med Term	278,693	1,486,566	1,273,342	63,016
700 LGIP - FF&C Med Term	147,655	994,531	498,617	50,227
Total	\$4,762,347	\$24,782,415	\$17,922,220	\$1,955,492
NOVEMBER 2011 TOTALS	\$3,715,844			\$1,722,404

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

NET EARNINGS

FUND	DESCRIPTION	Current Month 11/30/12	Prior Month 10/31/12	Prior Year 11/30/11	Net Asset Value Per Share
5	LGIP	244,303	249,057	234,279	1.0000
7	LGIP - GOV	166,469	165,547	102,657	1.0000
	TOTAL LGIP & LGIP-GOV	410,772	414,604	336,936	

YIELDS

<u>MONTHLY</u>		Current Month 11/30/12	Prior Month 10/31/12	Prior Year 11/30/11
5	LGIP (NET)	0.21%	0.25%	0.20%
	S & P LGIP INDEX	0.10%	0.11%	0.08%
7	LGIP - GOV (NET)	0.15%	0.15%	0.08%
	3 MONTH T-BILL	0.09%	0.10%	0.00%
<u>YEAR TO DATE</u>				
5	LGIP (NET)	0.23%	0.24%	0.17%
	S & P LGIP INDEX	0.10%	0.10%	0.07%
7	LGIP - GOV (NET)	0.13%	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
NOVEMBER 30, 2012**

NET EARNINGS

FUND	DESCRIPTION	Current Month 11/30/12	Prior Month 10/31/12	Prior Year 11/30/11	Net Asset Value Per Share
500	LGIP - MED TERM POOL	301,520	323,356	264,871	1.0432
700	LGIP - FF&C MED TERM POOL	162,765	182,809	115,901	1.0170
	TOTAL LGIP MEDIUM TERM POOLS	464,285	506,165	380,772	

YIELDS

MONTHLY

	Current Month 11/30/12	Prior Month 10/31/12	Prior Year 11/30/11
500 LGIP - MED TERM (NET)	1.39%	1.46%	1.48%
MERRILL 1-5 US D M INDEX	0.95%	0.94%	1.64%
700 LGIP - FF&C MED TERM (NET)	0.90%	0.99%	0.95%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.60%	0.65%	0.88%

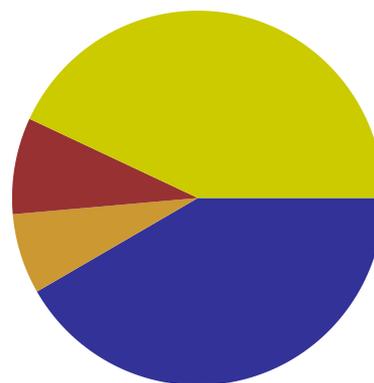
YEAR TO DATE

500 LGIP - MED TERM (NET)	1.53%	1.56%	1.63%
MERRILL 1-5 US D M INDEX	0.93%	0.92%	1.57%
700 LGIP - FF&C MED TERM (NET)	1.29%	1.39%	1.13%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	0.58%	0.57%	0.95%

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

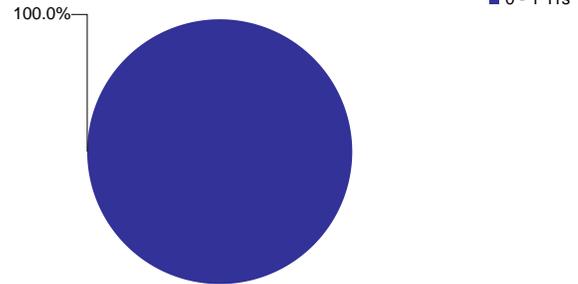
LGIP composite (00550903)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,367.24	41.8%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	274.63	8.4%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	1,409.73	43.1%
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	222.61	6.8%
TOTAL	3,274.21	100.0%

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

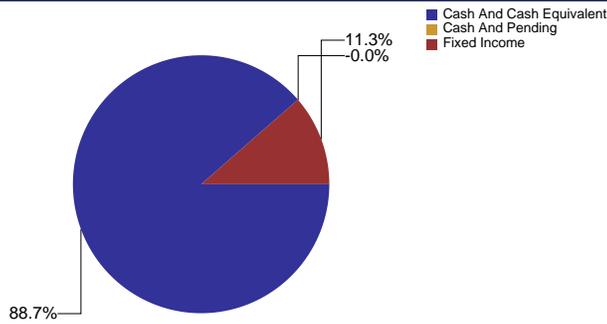


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,367.2
Weighted Average Life (Years) 0.06
Weighted Avg. Effective Duration (Years) 0.07
Weighted Average Maturity (Years) 0.07
Weighted Average Rating AA+
Number of Holdings 65

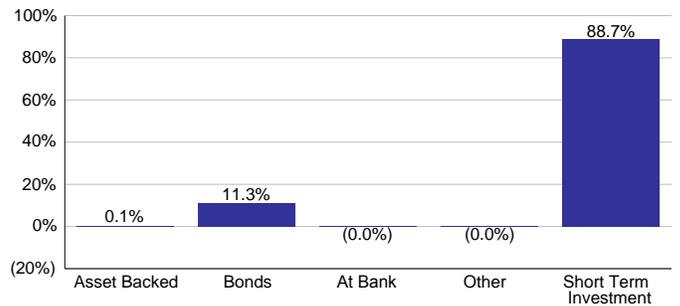
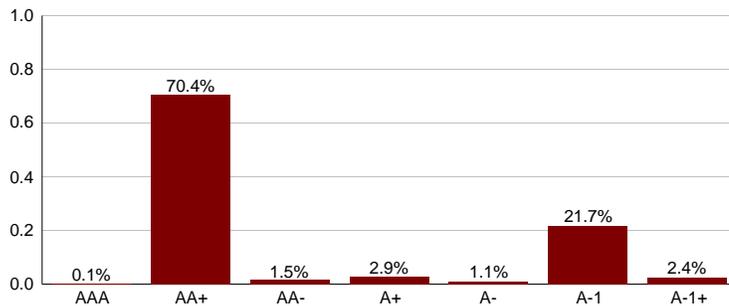


Asset Mix Top Ten Portfolio Holdings



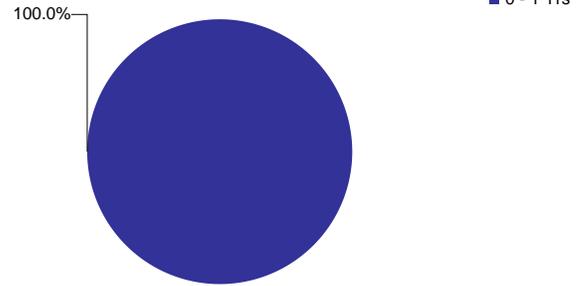
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 17/DEC/2012	18.43%	0.30	3/12/2012
38299W562	TRI-PARTY REPO GOLDMAN SACHS 0.17% 12/DEC/2012	10.97%	0.17	12/12/2012
85299W97	TRI-PARTY REPO SOUTH STREET 0.32% 03/DEC/2012	10.60%	0.32	3/12/2012
5199U5126	TRI-PARTY DEUTSCHE BANK 0.17% 12/DEC/2012	9.51%	0.17	12/12/2012
46999W022	TRI-PARTY REPO JP MORGAN REPO SWEEP 0.20%	7.33%	0.20	3/12/2012
85299R523	TRI-PARTY REPO SOUTH STREET 0.28% 03/DEC/2012	4.83%	0.28	3/12/2012
31599GH25	FIDELITY INVESTMENTS-PRIME MONEY MARKET PORTFOLIO	2.93%	0.15	3/12/2012
634902MU1	NATL CITY BK CLEVE SR MTN BE VR	1.46%	0.00	1/3/2013
3133EASW9	FEDERAL FARM CR BKS CONS BD FLT 13 06/AUG/2013	1.46%	0.00	6/8/2013
882508AS3	TEXAS INSTRUMENTS INC FRN 15/MAY/2013 USD1000	1.23%	0.00	15/5/2013

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

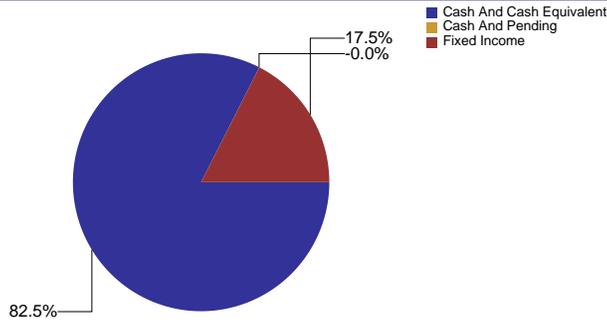


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,409.7
Weighted Average Life (Years) 0.11
Weighted Avg. Effective Duration (Years) 0.16
Weighted Average Maturity (Years) 0.15
Weighted Average Rating AA+
Number of Holdings 25

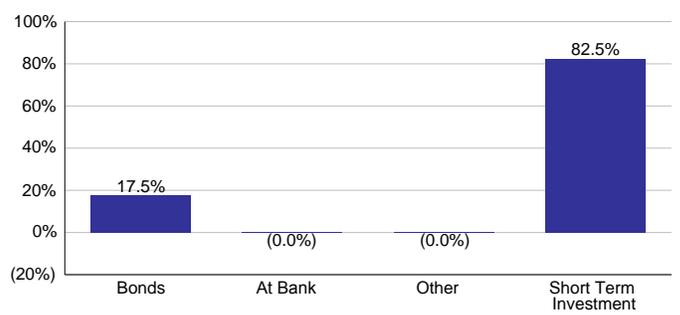
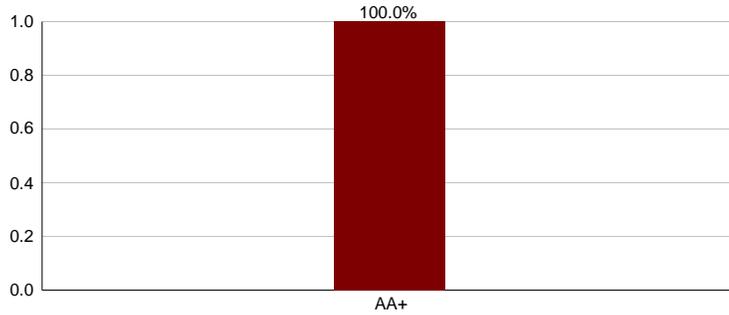


Asset Mix Top Ten Portfolio Holdings



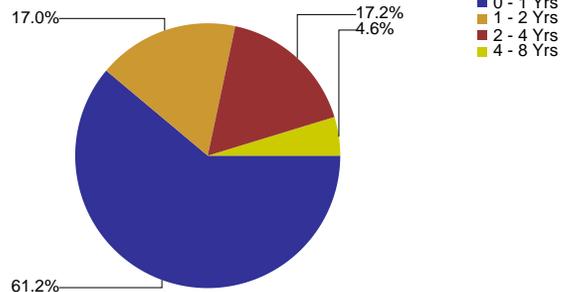
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
655990A09	TRI-PARTY REPO NOMURA 0.24% 03/DEC/2012	28.37%	0.24	3/12/2012
60699B816	TRI-PARTY REPO MIZUHO SECURITIES 0.21% 07/JAN/2013	10.64%	0.21	7/1/2013
38199CX17	TRI-PARTY REPO GOLDMAN SACHS 0.21% 22/JAN/2013	10.64%	0.21	22/1/2013
15199W249	TRI-PARTY REPO DEUTSCHE 0.20% 03/DEC/2012	6.38%	0.20	3/12/2012
60699B675	TRI-PARTY REPO MIZUHO 0.20% 11/JAN/2013	4.61%	0.20	11/1/2013
9127955V9	UNITED STATES TREAS BILLS DT	3.55%	0.00	10/1/2013
9127956E6	UNITED STATES TREAS BILLS DT	3.55%	0.00	7/3/2013
912828RD4	UNITED STATES TREAS NTS 0.125% 31/AUG/2013	3.54%	0.12	31/8/2013
9127956F3	UNITED STATES TREAS BILLS DT	3.54%	0.00	4/4/2013
9127956R7	UNITED STATES TREAS BILLS DT	3.54%	0.00	30/5/2013

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

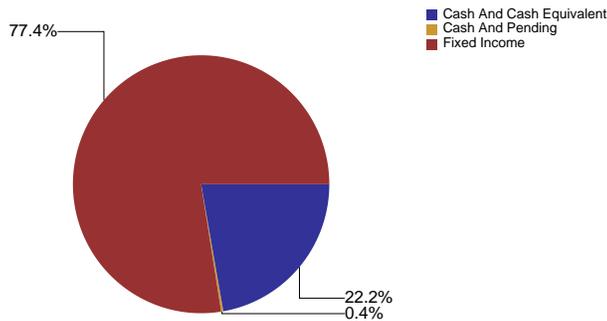


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 274.6
Weighted Average Life (Years) 1.54
Weighted Avg. Effective Duration (Years) 1.17
Weighted Average Rating AA
Number of Holdings 194

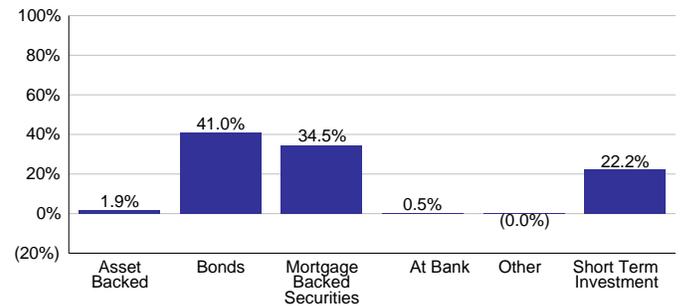
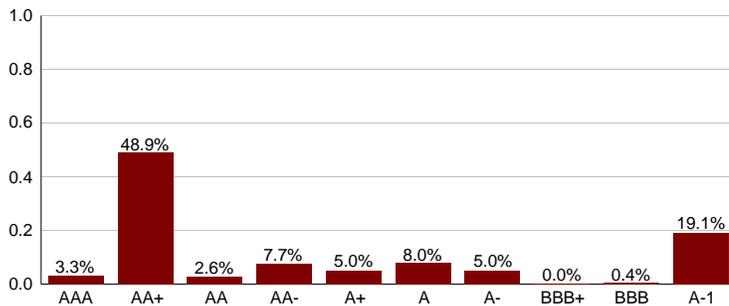


Asset Mix Top Ten Portfolio Holdings



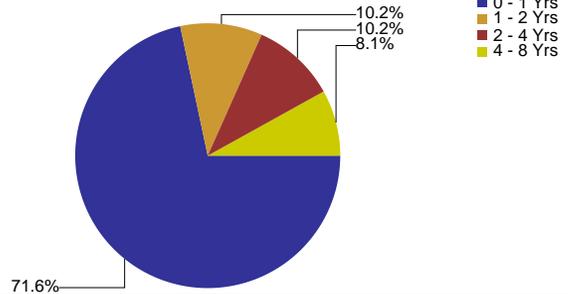
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
31417CUR4	FNMA MORTPASS 2.5% 01/AUG/2027 CI PN# ABS991	5.60%	2.50	1/8/2027
85299R523	TRI-PARTY REPO SOUTH STREET 0.28% 03/DEC/2012	2.93%	0.28	3/12/2012
3138A5CF7	FNMA MORTPASS 4% 01/FEB/2026 CI PN# AH3669	2.08%	4.00	1/2/2026
31418AHW1	FNMA MORTPASS 2.5% 01/AUG/2027 CI PN# MA1144	1.92%	2.50	1/8/2027
3132GU4P6	FHLMCGLD MORTPASS 3.5% 01/JUL/2042 QO PN# Q09530	1.89%	3.50	1/7/2042
31416XE97	FNMA MORTPASS 4% 01/DEC/2040 CL PN# AB1959	1.85%	4.00	1/12/2040
41068KMB1	HANNOVER FDG CO. LLC CORPORATE COMMERCIAL PAPER	1.83%	0.00	11/12/2012
62455AN37	MOUNTCLIFF CORPORATE COMMERCIAL PAPER DISCOUNT DTD	1.83%	0.00	3/1/2013
45779PN46	INSTITUTIONAL SECURED CORPORATE COMMERCIAL PAPER	1.83%	0.00	4/1/2013
06945LP10	BARTON CAPITAL CORP. CORPORATE COMMERCIAL PAPER	1.83%	0.00	1/2/2013

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

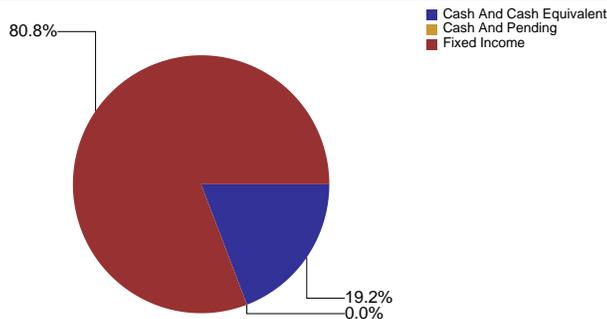


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 222.6
Weighted Average Life (Years) 1.47
Weighted Avg. Effective Duration (Years) 0.95
Weighted Average Rating AA+
Number of Holdings 74

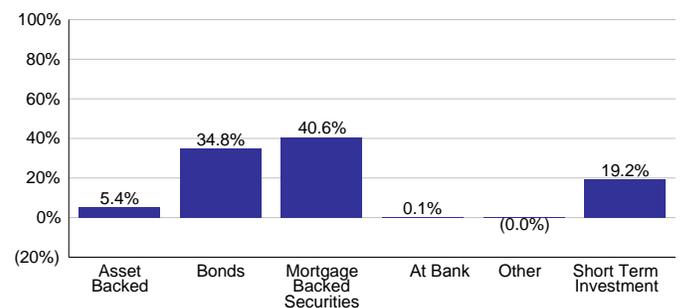
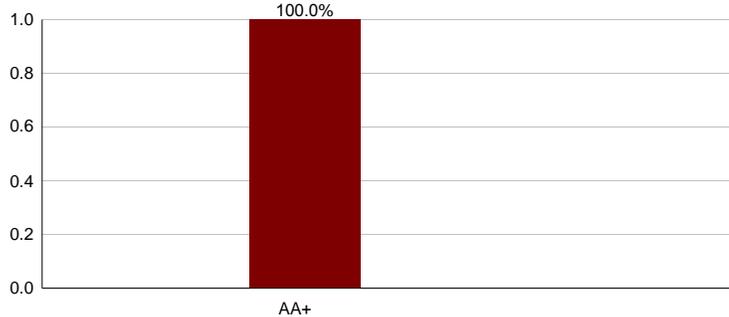


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
06099V936	TRI-PARTY REPO BANK OF AMERICA 0.20% 03/DEC/2012	18.43%	0.20	3/12/2012
30299CH78	FDIC US BANK CDARS ACCOUNT 0.30% 02/JAN/2013	6.77%	0.30	2/1/2013
36186CBF9	ALLY FINANCIAL INC 2.2% NTS 19/DEC/2012 USD1000	5.68%	2.20	19/12/2012
22087WAC3	CORUS CONSTRUCTION VENTURE LLC 0% NTS 25/OCT/2013	5.43%	0.00	25/10/2013
36179MGW4	GNMA II MORTPASS 3% 20/JUL/2042 JM PN# MA0213	3.61%	3.00	20/7/2042
36179MAH3	GNMA II MORTPASS 3.5% 20/APR/2027 SF PN# MA0008	3.38%	3.50	20/4/2027
36225E3Y6	GNMA II MORTPASS 0% 20/SEP/2040 AT PN# 082614	3.20%	0.00	20/9/2040
36176S4T4	GNMA I MORTPASS 4% 15/SEP/2041 SF PN# 775134	2.37%	4.00	15/9/2041
36178GHQ0	GNMA I MORTPASS 3% 15/AUG/2027 SF PN# AA8339	2.36%	3.00	15/8/2027
36179MGN4	GNMA II GTD 3% MTG BDS 20/JUL/2027 USD1000	2.35%	3.00	20/7/2027

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



**STATE AGENCY POOLS
 PORTFOLIO EARNINGS ANALYSIS
 NOVEMBER 30, 2012**

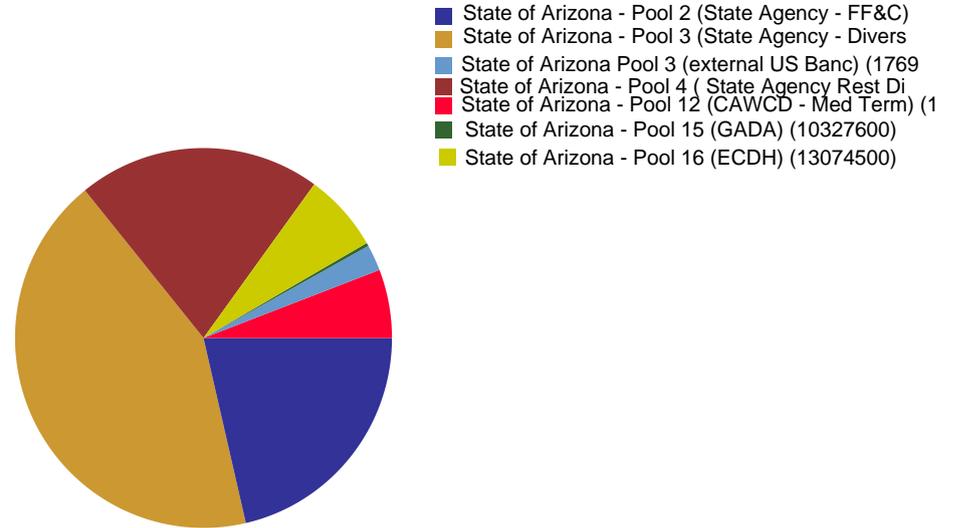
FUND	DESCRIPTION	Current Month 11/30/12	Prior Month 10/31/12	Prior Year 11/30/11	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	832,001	610,339	795,509	1.0092
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	1,345,230	1,495,497	1,307,576	1.0038
	EXTERNAL MANAGERS	56,286	55,987	N/A	1.0006
	FUND 3 TOTAL	1,401,516	1,551,485	1,307,576	1.0037
4	STATE AGENCIES - GOV	686,789	658,104	361,682	1.0012
12	CAWCD MEDIUM-TERM	461,623	443,627	509,841	1.0244
15	GADA LONG-TERM	18,348	20,022	23,528	1.0180
16	ECDH MEDIUM-TERM	487,012	517,152	N/A	1.0104
	TOTAL STATE AGENCIES	3,887,290	3,800,729	2,998,136	

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

FUND	DESCRIPTION	Current Month 11/30/12	Prior Month 10/31/12	Prior Year 11/30/11
2	STATE AGENCIES - FULL FAITH & CREDIT 75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL GNMA MORTGAGE MASTER INDEX	1.05% 0.46%	0.74% 0.48%	1.08% 0.61%
3	STATE AGENCIES - DIVERSIFIED INTERNAL MANAGERS EXTERNAL MANAGERS COMBINED 50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.84% 0.68% 0.84% 0.59%	0.97% 0.66% 0.95% 0.58%	0.94% N/A 0.94% 0.78%
4	STATE AGENCIES - GOV 50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.82% 0.19%	0.79% 0.22%	0.58% 0.19%
12	CAWCD MEDIUM-TERM BARCLAYS CAPITAL US AGG. BOND INDEX	1.98% 1.69%	1.84% 1.70%	2.21% 2.40%
15	GADA LONG-TERM MERRILL 3-5 US BROAD MARKET EX CORP	1.84% 1.00%	1.95% 1.06%	2.36% 2.00%
16	ECDH MEDIUM-TERM BARCLAYS CAPITAL US AGG. BOND INDEX	1.81% 1.69%	1.86% 1.70%	N/A N/A

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

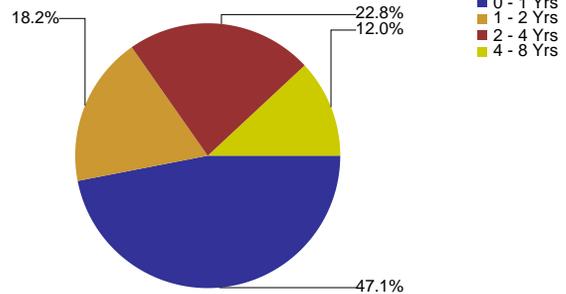
Pool Composite (00550904)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	1,047.05	21.4%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	2,098.82	42.8%
State of Arizona - Pool 3 (External US Banc) (17699900)	100.29	2.0%
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	1,019.45	20.8%
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	291.41	5.9%
State of Arizona - Pool 15 (GADA) (10327600)	12.33	0.3%
State of Arizona - Pool 16 (ECDH) (13074500)	331.69	6.8%
TOTAL	4,901.04	100.0%



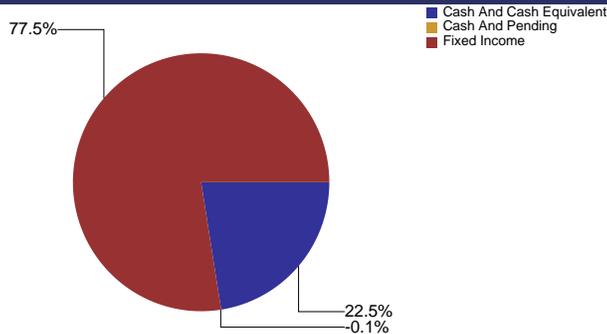
Portfolio Characteristics

Total Net Assets (Millions) **1,047.1**
 Weighted Average Life (Years) **1.55**
 Weighted Avg. Effective Duration (Years) **1.50**
 Weighted Average Rating **AA+**
 Number of Holdings **101**

Duration Mix



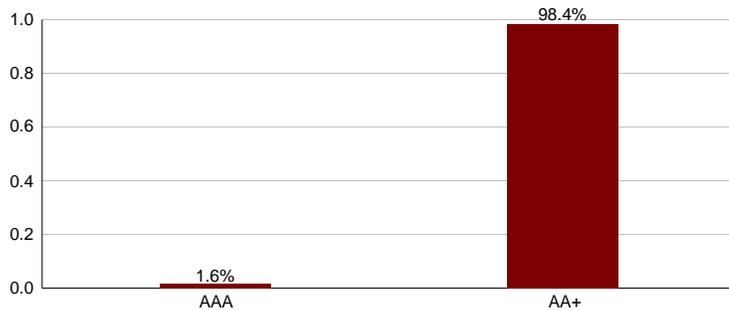
Asset Mix



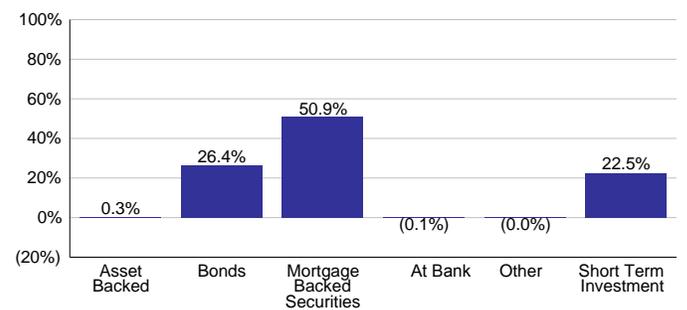
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
06099V936	TRI-PARTY REPO BANK OF AMERICA 0.20% 03/DEC/2012	16.33%	0.20	3/12/2012
60699L541	TRI-PARTY REPO MIZUHO 0.23% 08/JAN/2013	4.77%	0.23	8/1/2013
38375GHL8	GINNIE MAE 2012-84 LB 2.000% 16/MAY/2042	4.01%	2.00	16/5/2042
912828QH6	UNITED STATES TREAS NTS 1.250% 15/FEB/2014	3.88%	1.25	15/2/2014
62889KAA9	NCUA GTD NTS MASTER TRUST 0% BDS 12/JUN/2013	3.82%	0.00	12/6/2013
36179MAB6	GNMA II MORTPASS 3% 20/APR/2027 JM PN# MA002	2.37%	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	2.16%	2.00	20/1/2039
912828KV1	UNITED STATES TREAS NTS 02.250% 31/MAY/2014	1.97%	2.25	31/5/2014
38374UAY7	GINNIE MAE 2009-32 CA 4.000% 20/MAY/2039	1.94%	4.00	20/5/2039

Quality/Rating Weightings



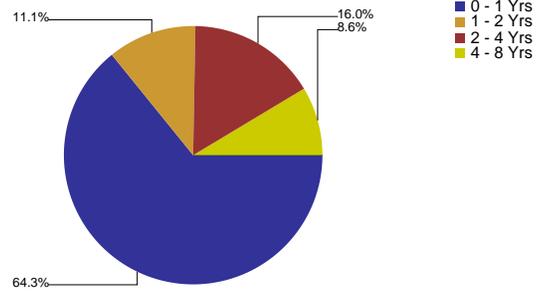
Sector Weightings (as % of Market Value)



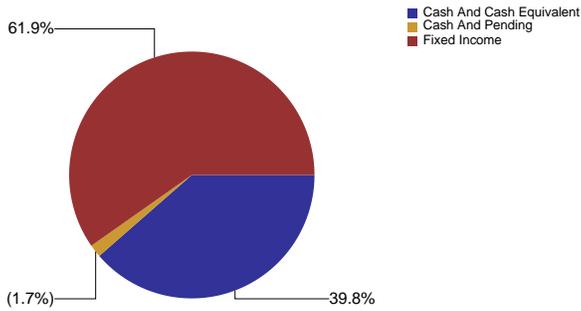
Portfolio Characteristics

Total Net Assets (Millions) **2,199.1**
 Weighted Average Life (Years) **1.45**
 Weighted Avg. Effective Duration (Years) **1.15**
 Weighted Average Rating **AA**
 Number of Holdings **276**

Duration Mix



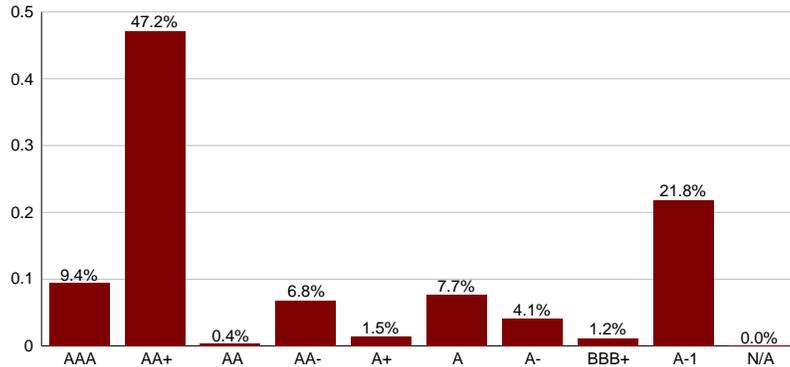
Asset Mix



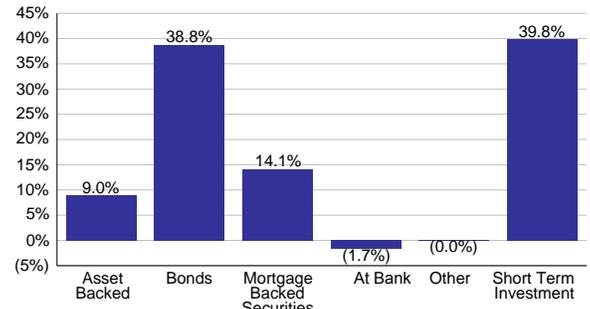
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299R523	TRI-PARTY REPO SOUTH STREET 0.28% 03/DEC/2012	6.07%	0.28	3/12/2012
31599GH17	FIDELITY INVESTMENTS-MONEY MARKET PORTFOLIO SHARES	2.24%	0.18	2/1/2013
06538FFM1	BNK OF TKYO-MTBSHI L CERTIFICATE OF DEPOSIT FIXED	2.24%	0.23	2/2/2013
87019QME5	SWEDBANK (SPARBANK) CERTIFICATE OF DEPOSIT FIXED	2.03%	1.00	15/7/2013
06099V936	TRI-PARTY REPO BANK OF AMERICA 0.20% 03/DEC/2012	2.01%	0.20	3/12/2012
45779PNA2	INSTITUTIONAL SECURED CORPORATE COMMERCIAL PAPER	2.01%	0.00	10/1/2013
74977MZ81	RABOBANK NEDERLAND CERTIFICATE OF DEPOSIT VARIABLE	1.79%	0.00	2/5/2013
65409RN48	NIEUW AMSTERDAM RECV CORPORATE COMMERCIAL PAPER	1.79%	0.00	4/1/2013
52952LN24	LEXINGTN PKR CAP CO LL CORPORATE COMMERCIAL PAPER	1.79%	0.00	2/1/2013
62455ANG8	MOUNTCLIFF CORPORATE COMMERCIAL PAPER DISCOUNT DTD	1.79%	0.00	16/1/2013

Quality/Rating Weightings

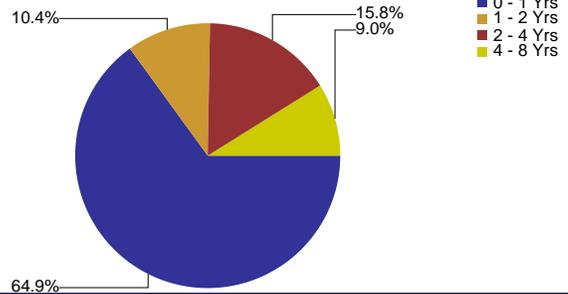


Sector Weightings (as % of Market Value)

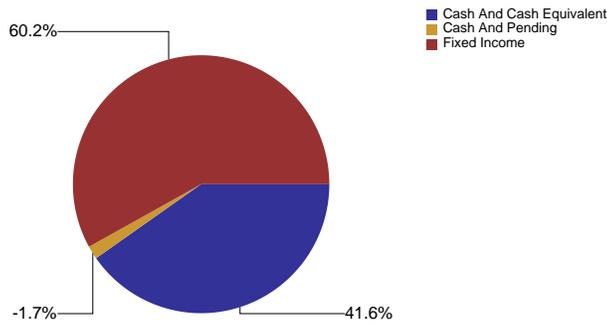


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 2,098.8
Weighted Average Life (Years) 1.47
Weighted Avg. Effective Duration (Years) 1.15
Weighted Average Rating AA
Number of Holdings 161

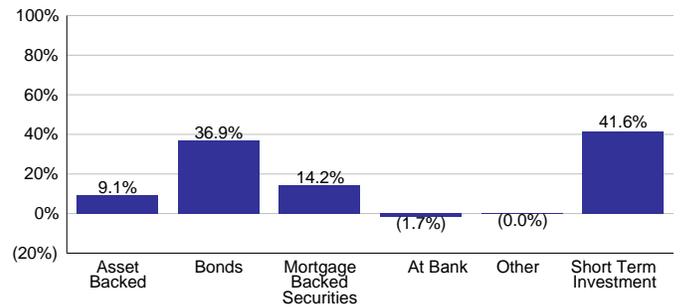
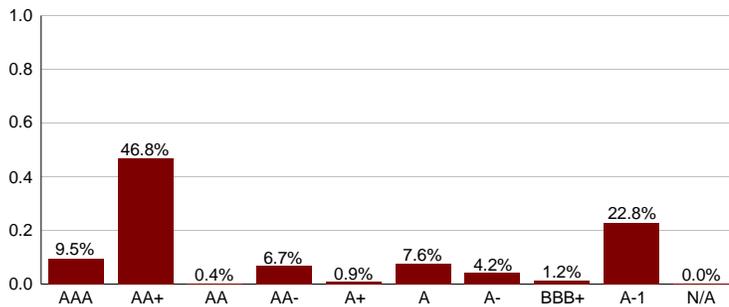


Asset Mix Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299R523	TRI-PARTY REPO SOUTH STREET 0.28% 03/DEC/2012	6.35%	0.28	3/12/2012
31599GH17	FIDELITY INVESTMENTS-MONEY MARKET PORTFOLIO SHARES	2.35%	0.18	2/1/2013
06538FFM1	BNK OF TKYO-MTBSHI L CERTIFICATE OF DEPOSIT FIXED	2.34%	0.23	27/2/2013
87019QME5	SWEDBANK (SPARBANK) CERTIFICATE OF DEPOSIT FIXED	2.12%	1.00	15/7/2013
06099V936	TRI-PARTY REPO BANK OF AMERICA 0.20% 03/DEC/2012	2.11%	0.20	3/12/2012
45779PNA2	INSTITUTIONAL SECURED CORPORATE COMMERCIAL PAPER	2.11%	0.00	10/1/2013
74977MZ81	RABOBANK NEDERLAND CERTIFICATE OF DEPOSIT VARIABLE	1.88%	0.00	2/5/2013
65409RN48	NIEUW AMSTERDAM RECV CORPORATE COMMERCIAL PAPER	1.87%	0.00	4/1/2013
52952LN24	LEXINGTN PKR CAP CO LL CORPORATE COMMERCIAL PAPER	1.87%	0.00	2/1/2013
62455ANG8	MOUNTCLIFF CORPORATE COMMERCIAL PAPER DISCOUNT DTD	1.87%	0.00	16/1/2013

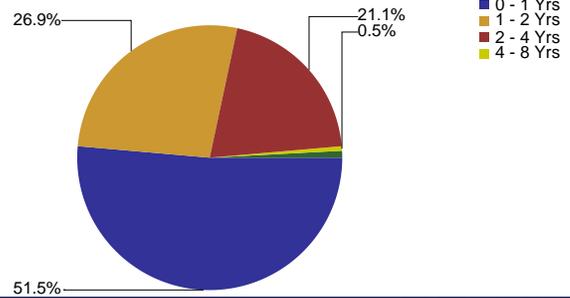
Quality/Rating Weightings Sector Weightings (as % of Market Value)



Portfolio Characteristics

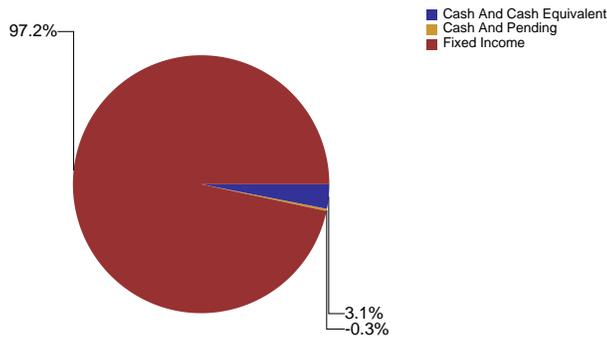
Duration Mix

Total Net Assets (Millions) 100.3
Weighted Average Life (Years) 1.14
Weighted Avg. Effective Duration (Years) 1.19
Weighted Average Rating AA
Number of Holdings 115



Asset Mix

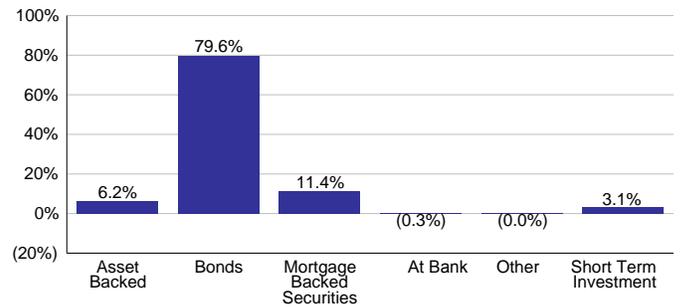
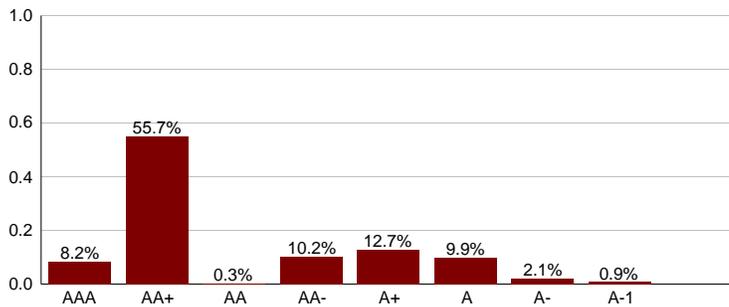
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
313379P60	FEDERAL HOME LOAN BANKS CONS BD FLT 13 25/NOV/2013	3.98%	0.00	25/11/2013
3135G0KS1	FEDERAL NATIONAL MORTGAGE ASSOC 0.56% NTS	2.49%	0.56	10/2/2015
3136G0CB5	FEDERAL NATL MTG ASSN CALL 0.71%15/APR/2015	2.49%	0.71	15/4/2015
3133EAXC7	FEDERAL FARM CR BKS CONS BD 0.57% 09/JUL/2015	2.49%	0.57	9/7/2015
3135G0KR3	FEDERAL NATIONAL MORTGAGE ASSOC 0.7% NTS	2.49%	0.70	15/5/2015
3133EARS9	FEDERAL FARM CR BKS CONS BD 0.38% 29/MAY/2014	2.49%	0.38	29/5/2014
3133EAZU5	FEDERAL FARM CREDIT BANKS 0.45% BDS 24/APR/2015	2.49%	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

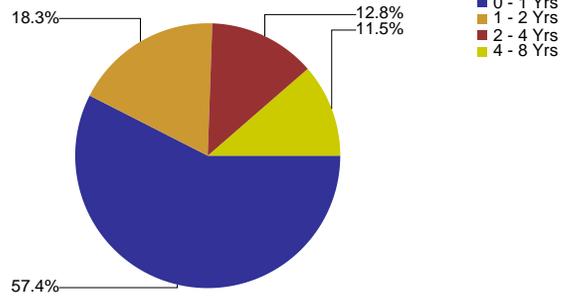
Sector Weightings (as % of Market Value)



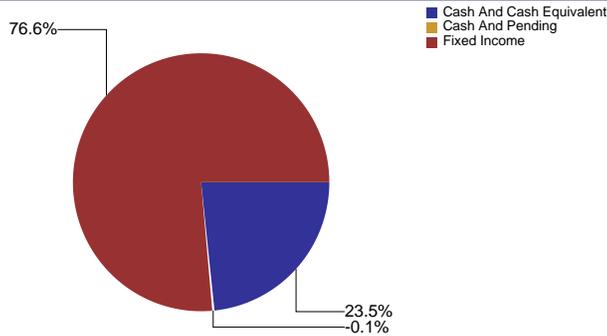
Portfolio Characteristics

Total Net Assets (Millions) **1,019.5**
 Weighted Average Life (Years) **1.87**
 Weighted Avg. Effective Duration (Years) **1.37**
 Weighted Average Rating **AA+**
 Number of Holdings **79**

Duration Mix



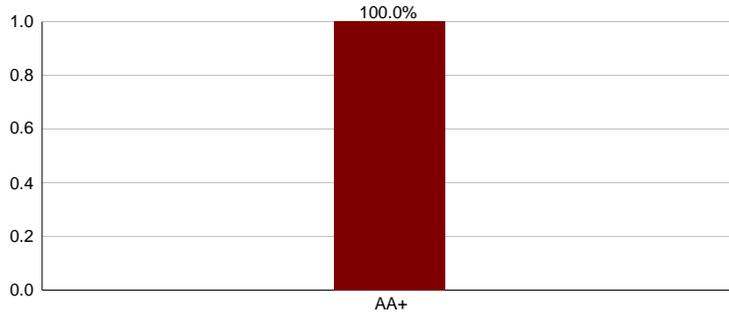
Asset Mix



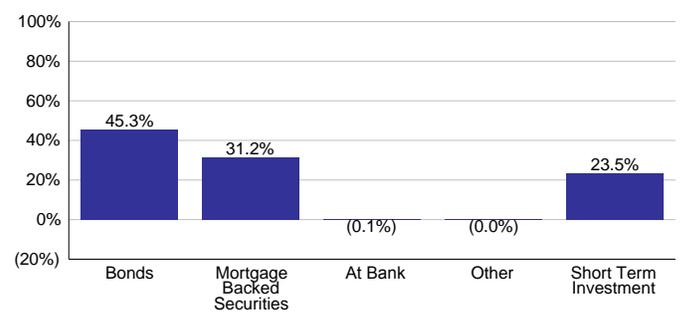
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299R523	TRI-PARTY REPO SOUTH STREET 0.28% 03/DEC/2012	17.32%	0.28	3/12/2012
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 17/DEC/2012	5.43%	0.30	3/12/2012
3135G0KF9	FEDERAL NATIONAL MORTGAGE ASSOC 1.5% NTS	4.44%	1.50	17/4/2017
3133EAJF6	FEDERAL FARM CR BKS CONS BD FLT 15 22/SEP/2015	2.94%	0.00	22/9/2015
3137AUBR9	FREDDIE MAC 4111 AG 1.750% 15/AUG/2039	2.85%	1.75	15/8/2039
3132GSCE7	FHLMCGLD MORTPASS 3.5% 01/MAR/2042 Q0 PN# Q06969	2.49%	3.50	1/3/2042
3134G3A42	FEDERAL HOME LOAN MORTGAGE CORP 1% BDS 14/AUG/2017	2.46%	1.00	14/8/2017
3137ARV78	FREDDIE MAC 4079 AH 2.000% 15/JUL/2027	2.33%	2.00	15/7/2027
912828AU4	US TREAS NTS 3.875% 15/FEB/2013	2.00%	3.88	15/2/2013
912828HV5	UNITED STATES TREAS NTS 2.5% 31/MAR/2013	1.98%	2.50	31/3/2013

Quality/Rating Weightings



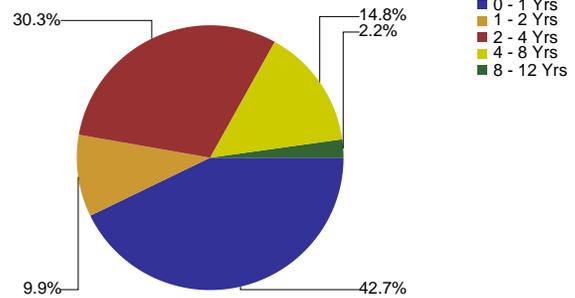
Sector Weightings (as % of Market Value)



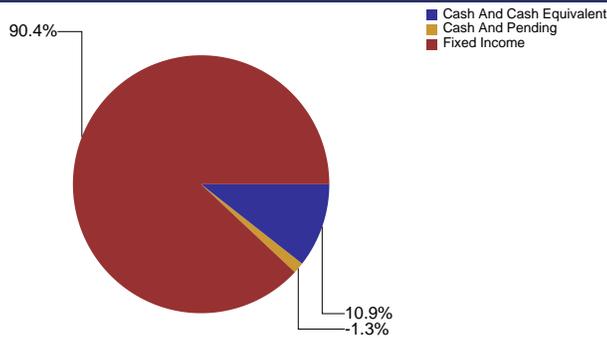
Portfolio Characteristics

Total Net Assets (Millions) 291.4
Weighted Average Life (Years) 2.88
Weighted Avg. Effective Duration (Years) 2.10
Weighted Average Rating AA
Number of Holdings 118

Duration Mix



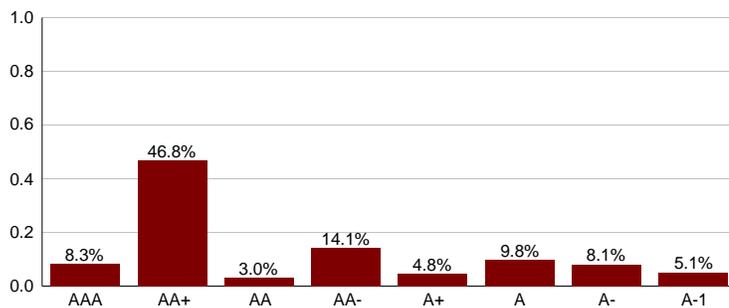
Asset Mix



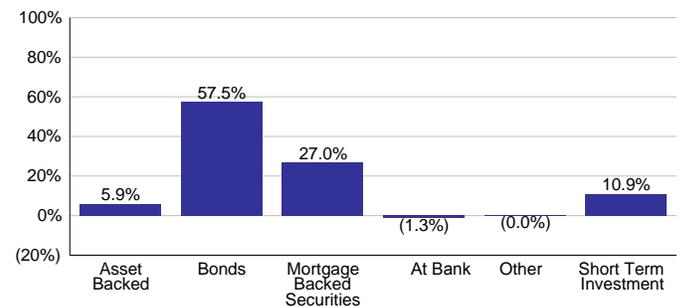
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
191216AN0	COCA-COLA CO 0.75% SNR NTS 15/NOV/2013 USD1000	2.72%	0.75	15/11/2013
3133EAJR0	FEDERAL FARM CR BKS CONS BD 1.99% 26/MAR/2018	2.39%	1.99	26/3/2018
3136A9LG1	FANNIE MAE 2012-114 GB 1.750% 25/MAR/2040	2.34%	1.75	25/3/2040
85299R523	TRI-PARTY REPO SOUTH STREET 0.28% 03/DEC/2012	2.22%	0.28	3/12/2012
92343VAY0	VERIZON COMMUNICATIONS INC 3% BDS 01/APR/2016	1.82%	3.00	1/4/2016
928989466	JP MORGAN PRIME MMF AGENCY SHARES	1.81%	0.00	31/12/2049
78008TXB5	ROYAL BANK OF CANADA FRN 30/OCT/2014 USD1000	1.71%	0.00	30/10/2014
89233P6S0	TOYOTA MOTOR CREDIT CORP 1.25% BDS 05/OCT/2017	1.71%	1.25	5/10/2017
59217GAF6	METROPOLITAN LIFE GLOBAL FUNDING I FRN 10/JAN/2014	1.71%	0.00	10/1/2014
06423RBK1	BANK ONE ISSUANCE TRUST SER 2004-A3 CL A3	1.70%	0.00	15/2/2017

Quality/Rating Weightings



Sector Weightings (as % of Market Value)

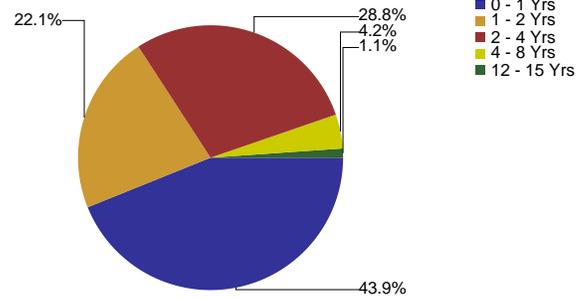


Portfolio Characteristics

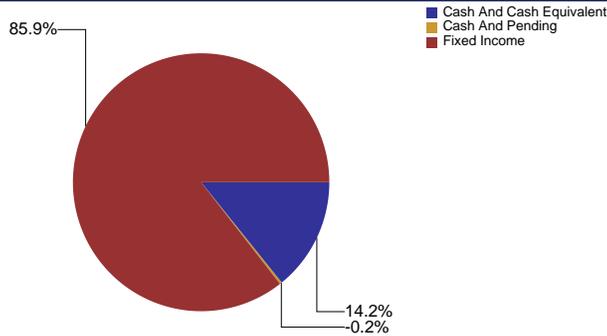
Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

12.3
3.42
1.44
AA+
25

Duration Mix



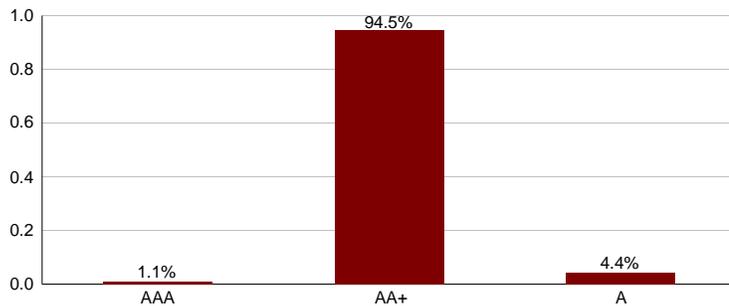
Asset Mix



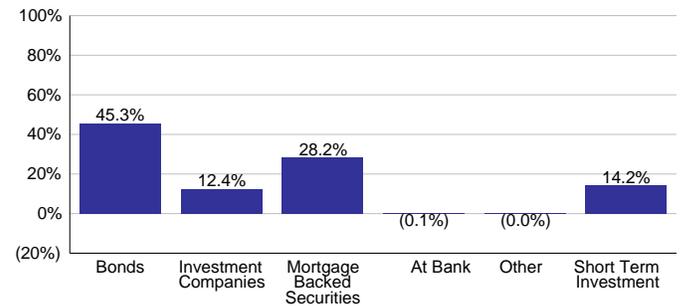
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
928989466	JP MORGAN PRIME MMF AGENCY SHARES	14.18%	0.00	31/12/2049
A41995373	LOCAL GOV INVS POOL 700	12.40%		
3133EAX29	FEDERAL FARM CR BKS CONS BD 0.98% 18/SEP/2017	8.14%	0.98	18/9/2017
3136FTN70	FEDERAL NATL MTG ASSN CALL 3%28/NOV/2025	6.15%	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	4.35%	3.50	15/2/2026
3128X6SL1	FEDERAL HOME LN MTG CORP CALL 5.25%13/DEC/2022	4.16%	5.25	13/12/2022
3134G24S8	FEDERAL HOME LN MTG CORP CALL 2.25%14/NOV/2018	4.12%	2.25	14/11/2018
31599GH17	FIDELITY INVESTMENTS-MONEY MARKET PORTFOLIO SHARES	4.06%	0.18	2/1/2013
3138ASYU0	FNMA MORTPASS 3% 01/OCT/2026 CI PN# AJ1622	3.87%	3.00	1/10/2026

Quality/Rating Weightings



Sector Weightings (as % of Market Value)

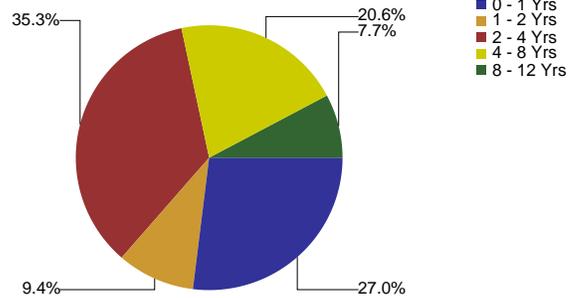


Portfolio Characteristics

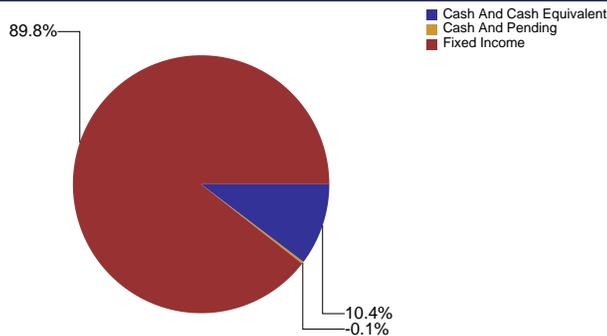
Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

331.7
2.56
2.95
AA
88

Duration Mix



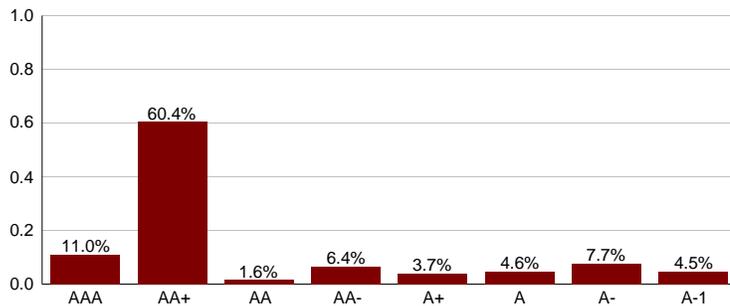
Asset Mix



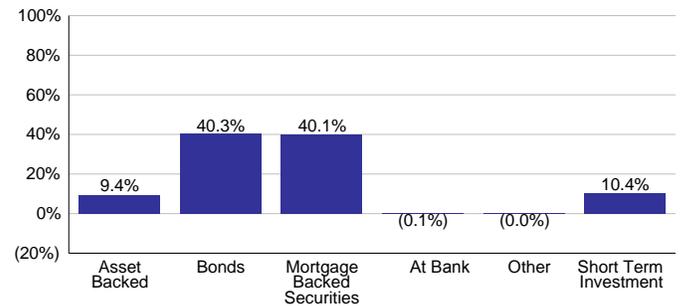
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137ATR20	FREDDIE MAC 4097 VH 1.500% 15/OCT/2041	4.36%	1.50	15/10/2041
3137APUK4	FREDDIE MAC 4045 HP 3.500% 15/MAY/2042	3.17%	3.50	15/5/2042
3128HXW76	FHLMC GOLD MORTPASS 3.00% 15/AUG/2042 POOL#S06070	3.09%	3.00	15/8/2042
85299R523	TRI-PARTY REPO SOUTH STREET 0.28% 03/DEC/2012	2.11%	0.28	3/12/2012
63534PAH0	NATIONAL CITY BANK(CLEVELAND) FLTG RATE NTS	2.06%	0.00	7/6/2017
31398NY24	FANNIE MAE 2010-123B PM 4.000% 25/JUL/2040	2.04%	4.00	25/7/2040
3133EAJR0	FEDERAL FARM CR BKS CONS BD 1.99% 26/MAR/2018	1.96%	1.99	26/3/2018
31398T7A3	FANNIE MAE 2010-113 LV 4.000% 25/JUN/2030	1.72%	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	1.65%	3.50	16/4/2035

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



OPERATING MONIES
AVERAGE INVESTED BALANCE

Through November 30, 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	
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	\$1,447
Budget Stabilization Average Fund Balance - November			<u>\$451</u>
Total Average Cash Available - November			\$1,767

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
NOVEMBER 2012**

Distributed in Current Month

Recipient	NOVEMBER 2012	Fiscal YTD 12/13	Fiscal YTD 11/12
101 A & M Colleges	\$13,923	\$69,617	\$108,362
102 State Hospital	\$8,107	\$40,534	\$60,052
103 Leg., Exec., & Jud.	\$11,841	\$59,207	\$88,979
104 Military Institute	\$860	\$4,299	\$6,312
105 Miners Hospital	\$20,736	\$103,679	\$143,772
107 Normal School ASU/NAU	\$5,067	\$25,337	\$37,029
108 Penitentiaries	\$22,867	\$114,334	\$142,874
109 Permanent Common School	\$4,456,288	\$22,281,438	\$31,920,123
110 School for Deaf & Blind	\$7,377	\$36,887	\$53,163
111 School of Mines	\$16,212	\$81,060	\$122,997
112 State Charitable-Pioneers Home	\$71,865	\$359,325	\$558,425
112 State Charitable-Corrections	\$35,933	\$179,663	\$279,213
112 State Charitable-Youth Treatment	\$35,933	\$179,663	\$279,213
113 University Fund	\$26,441	\$132,203	\$196,406
114 U of A Land - 1881	\$58,053	\$290,265	\$419,424
Total	\$4,791,502	\$23,957,509	\$34,416,343

Posted in USAS in current month

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

NET EARNINGS

FUND	DESCRIPTION	Current Month 11/30/12	Prior Month 10/31/12	Prior Year 11/30/11
205	ENDOWMENTS - FIXED INCOME	\$3,941,143	\$5,337,113	\$3,683,520

YIELDS

<u>MONTHLY</u>	Current Month 11/30/12	Prior Month 10/31/12	Prior Year 11/30/11
205 ENDOWMENTS - FIXED INCOME	5.76%	7.81%	5.55%

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Nov-12 NET GAIN(LOSS)	Nov-11 NET GAIN(LOSS)
Fixed Income Pool	(7,263)	(281,752)
Equity Pool (500)	61,487	(243,403)
Equity Pool (400)	49,306	1,643,789
Equity Pool (600)	(147,438)	3,472
Totals	(43,908)	1,122,106

Endowment Fund	2012/2013 FISCAL YEAR TO DATE GAINS(LOSSES)	2011/ 2012 FISCAL YEAR TO DATE GAINS(LOSSES)
Fixed Income Pool	1,215,129	743,079
Equity Pool (500)	1,879,872	327,291
Equity Pool (400)	6,008,475	7,422,303
Equity Pool (600)	1,710,086	(331,205)
Totals	10,813,562	8,161,468

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

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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	6/14/2019	N/A	\$5,000,000	\$5,173,489	1.22%	Aaa/AA+
FHLB	4.50	9/13/2019	N/A	\$5,000,000	\$6,090,300	1.28%	Aaa/AA+
US TREAS	3.50	5/15/2020	N/A	\$2,500,000	\$2,933,062	1.10%	Aaa/AA+
NEWELL RUBBERMAID	2.05	12/1/2017	N/A	\$3,000,000	\$2,996,610	2.07%	Baa3/BBB-

TOTAL ENDOWMENT FUNDS PURCHASES

\$15,500,000

\$17,193,461

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>
FNMA	6.50	9/1/2037	\$1,820,837	\$2,080,597	\$48,523	Aaa/AA+
HEWLETT-PACKARD	5.50	3/1/2018	\$5,000,000	\$5,347,442	\$278,189	Baa1/BBB+

TOTAL ENDOWMENT FUNDS SALES

\$6,820,837

\$7,428,039

\$326,712

*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 November 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	10,744	\$1,355,426	\$81
S&P 500 Large-Cap Fund	53,866	\$3,792,347	\$390
S&P 600 Small-Cap Fund	103,409	\$2,089,040	\$776
TOTAL EQUITY PURCHASES	168,019	\$7,236,813	\$1,246

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	15,737	\$459,347	\$118
S&P 500 Large-Cap Fund	9,331	\$776,685	\$70
S&P 600 Small-Cap Fund	69,199	\$1,690,284	\$519
TOTAL EQUITY SALES	94,267	\$2,926,317	\$707

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

State Treasurer's Report
 December 20, 2012
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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	3,828	5,832	2,004	
	<i>Shares in Fixed Income Pools</i>	3,984	2,499	4,055	1,556	
	Total	4,537	6,327	9,887	3,560	1.563
102	State Hospital					
	<i>Shares in Equity Pools</i>	353	2,448	3,721	1,273	
	<i>Shares in Fixed Income Pools</i>	2,415	1,602	2,458	856	
	Total	2,768	4,050	6,179	2,129	1.526
103	Leg., Exec., & Jud					
	<i>Shares in Equity Pools</i>	449	3,352	4,729	1,377	
	<i>Shares in Fixed Income Pools</i>	3,455	2,197	3,517	1,320	
	Total	3,904	5,548	8,246	2,698	1.486
104	Military Institute					
	<i>Shares in Equity Pools</i>	30	216	312	96	
	<i>Shares in Fixed Income Pools</i>	234	140	238	98	
	Total	264	356	550	194	1.546
105	Miners Hospital					
	<i>Shares in Equity Pools</i>	1,099	8,850	11,583	2,733	
	<i>Shares in Fixed Income Pools</i>	7,584	5,869	7,720	1,851	
	Total	8,684	14,719	19,303	4,584	1.311
107	S Normal School ASU/NAU					
	<i>Shares in Equity Pools</i>	205	1,500	2,155	655	
	<i>Shares in Fixed Income Pools</i>	1,480	983	1,506	523	
	Total	1,684	2,484	3,661	1,177	1.474
108	Penitentiaries					
	<i>Shares in Equity Pools</i>	680	4,812	7,170	2,358	
	<i>Shares in Fixed Income Pools</i>	4,716	3,191	4,801	1,610	
	Total	5,397	8,003	11,971	3,968	1.496

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

State Treasurer's Report
 December 20, 2012
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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>	193,947	1,479,702	2,043,574	563,872	
<i>Shares in Fixed Income Pools</i>	1,371,902	991,105	1,396,431	405,327	
Total	1,565,849	2,470,806	3,440,005	969,199	1.392
110 School for Deaf & Blind					
<i>Shares in Equity Pools</i>	287	2,087	3,028	940	
<i>Shares in Fixed Income Pools</i>	2,144	1,371	2,182	811	
Total	2,431	3,458	5,210	1,751	1.506
111 School of Mines					
<i>Shares in Equity Pools</i>	619	4,582	6,526	1,944	
<i>Shares in Fixed Income Pools</i>	4,583	3,031	4,665	1,634	
Total	5,202	7,613	11,191	3,578	1.470
112 State Charitable					
<i>Shares in Equity Pools</i>	6,195	46,022	65,279	19,258	
<i>Shares in Fixed Income Pools</i>	43,087	30,891	43,858	12,967	
Total	49,283	76,912	109,137	32,224	1.419
113 University Fund					
<i>Shares in Equity Pools</i>	1,034	7,624	10,893	3,270	
<i>Shares in Fixed Income Pools</i>	7,626	5,021	7,762	2,741	
Total	8,660	12,645	18,656	6,011	1.475
114 U Of A Land - 1881					
<i>Shares in Equity Pools</i>	2,923	22,678	30,803	8,125	
<i>Shares in Fixed Income Pools</i>	21,293	15,152	21,673	6,522	
Total	24,216	37,829	52,476	14,647	1.387
TOTALS - ALL FUNDS					
<i>Shares in Equity Pools</i>	208,376	1,587,699	2,195,604	607,905	
<i>Shares in Fixed Income Pools</i>	1,474,503	1,063,052	1,500,867	437,815	
Grand Total	1,682,878	2,650,750	3,696,471	1,045,721	
PRIOR YEAR:					
NOVEMBER 2011 BALANCES	1,655,748	2,514,814	3,215,777	700,963	

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
NOVEMBER 30, 2012**

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ASSET ALLOCATION PERCENTAGE

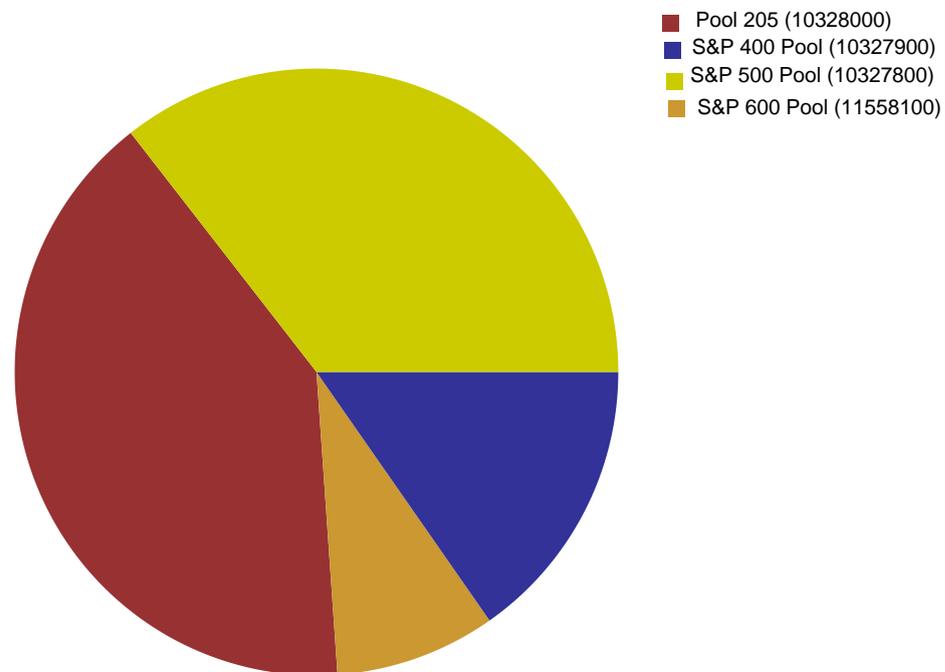
	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	NOVEMBER 2011 MARKET VALUE
<i>Shares in Equity Pools</i>	12.38%	59.90%	59.40%	56.74%
<i>Shares in Fixed Income Pools</i>	87.62%	40.10%	40.60%	43.26%
	-----	-----	-----	-----
Total	100.00%	100.00%	100.00%	100.00%
	=====	=====	=====	=====

Performance Worksheet
Arizona State Treasury (05509)
As of November 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	1,307,253,953.52	1,314,935,128.01	119,044	0.58	1.27	14.94	4.96	16.10	11.27	1.42	1.45	07/01/1999
10327900	S&P 400 Pool	548,521,310.19	560,697,281.35	51,019	2.21	3.36	15.49	6.92	15.08	14.79	4.03	7.51	08/01/2001
10328000	Pool 205	1,497,221,594.94	1,500,866,761.38	136,050	0.23	0.54	4.01	1.88	4.76	4.59	5.51	5.96	07/01/1999
11558100	S&P 600 Pool	316,733,761.49	319,971,818.93	34,013	1.01	1.31	12.74	4.36	14.14			4.91	03/01/2011
00550902	Total Endowment Fund Composite	3,669,730,620.14	3,696,470,989.67	340,126	0.72	1.29	10.13	3.93	10.90	8.45	4.02	5.28	07/01/1999

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

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,500.87	40.6%
S&P 400 Pool (10327900)	560.70	15.2%
S&P 500 Pool (10327800)	1,314.94	35.6%
S&P 600 Pool (11558100)	319.97	8.7%
TOTAL	3,696.47	100.0%



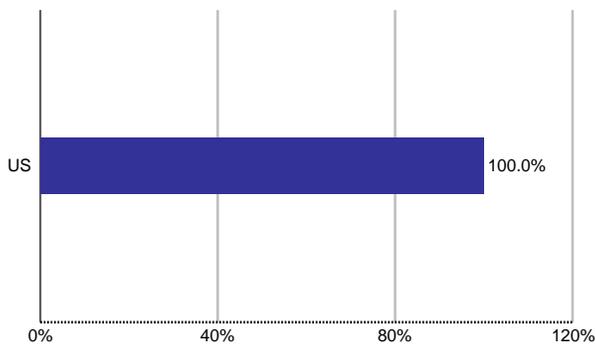
Portfolio Characteristics

			Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Total Asset Value (in Millions)	1,314.9		0.04	0.06	0.16	1.65
P/E Ratio	14.90	Tracking Error	(0.78)	0.22	0.44	(0.38)
Price to Book Ratio	2.13	Information Ratio	10.51	15.28	18.97	16.04
Dividend Yield (%)	2.19	Std Deviation of Port.	10.52	15.31	19.04	15.92
Return on Equity (%)	63.54	Sharpe Ratio of Port.	1.52	0.73	0.04	(0.06)
Sales Growth (%)	7.91	Sharpe Ratio of Bench.	1.52	0.73	0.04	(0.02)
Market Capitalization (\$ Millions)	107,172.91	R-Squared	1.00	1.00	1.00	0.99
Earnings per Share (\$)	5.89	Jensen's Alpha	(0.02)	0.04	0.09	(0.66)
Number of Holdings	502					

Top Ten Portfolio Holdings

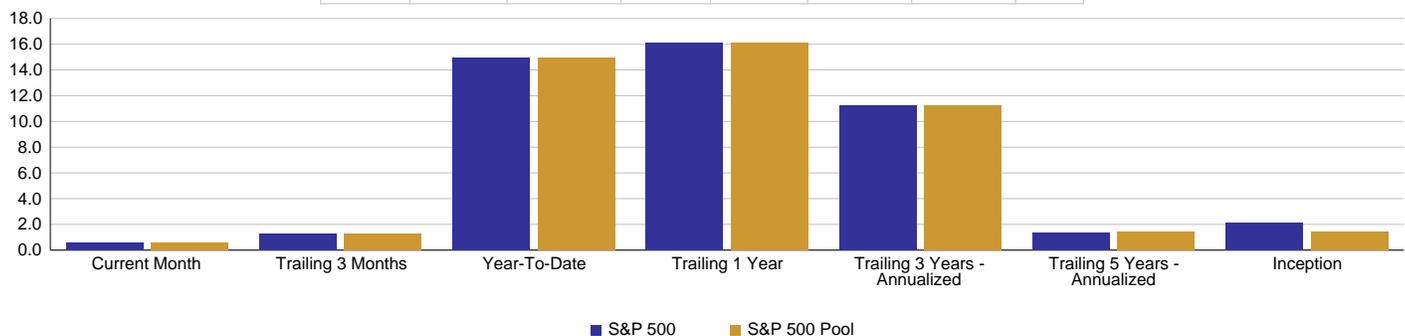
Security ID	Security Name	% of Assets
037833100	APPLE INC - COM NPV	4.17%
78462F103	SPDR S&P 500 ETF TRUST	3.45%
30231G102	EXXON MOBIL CORP - COM NPV	3.11%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.69%
166764100	CHEVRON CORP - COM USD3	1.59%
459200101	INTL BUSINESS MACHINES CORP - COM USD 2	1.56%
594918104	MICROSOFT CORP - COM USD.00000625	1.54%
00206R102	AT&T INC - COM USD1	1.50%
478180104	JOHNSON & JOHNSON - COM USD1	1.47%
742718109	PROCTER & GAMBLE CO - COM NPV	1.46%

Top Ten Currency Weights

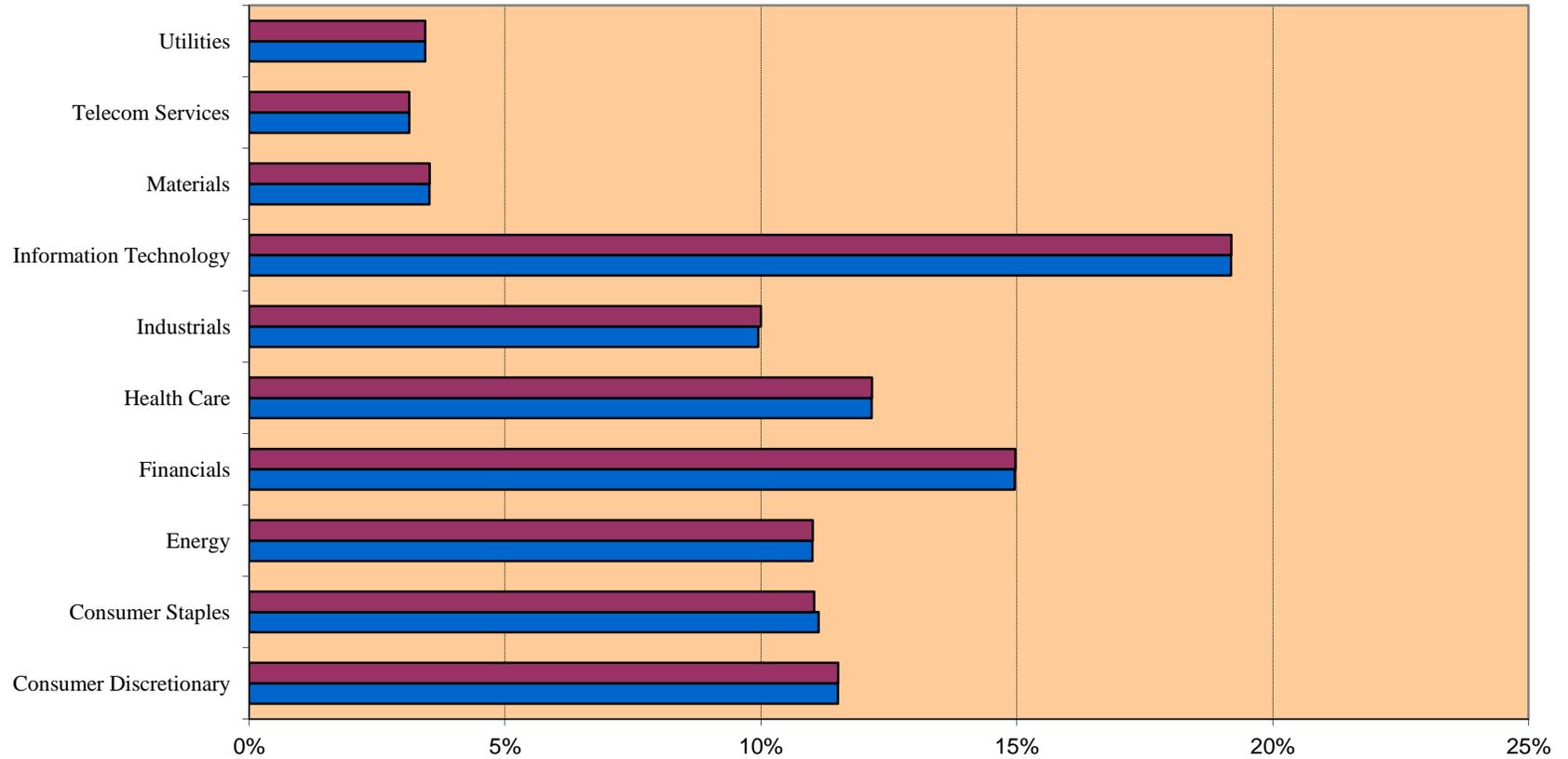


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	0.58	1.27	14.94	16.10	11.27	1.42	1.45
S&P 500	0.58	1.27	14.96	16.13	11.25	1.34	2.10
Excess	(0.00)	(0.01)	(0.02)	(0.03)	0.02	0.08	(0.66)



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



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 500 Index	11.51%	11.04%	11.01%	14.97%	12.17%	10.00%	19.19%	3.53%	3.13%	3.44%
■ STATE OF ARIZONA - POOL 201	11.50%	11.13%	11.01%	14.96%	12.17%	9.95%	19.19%	3.53%	3.13%	3.44%



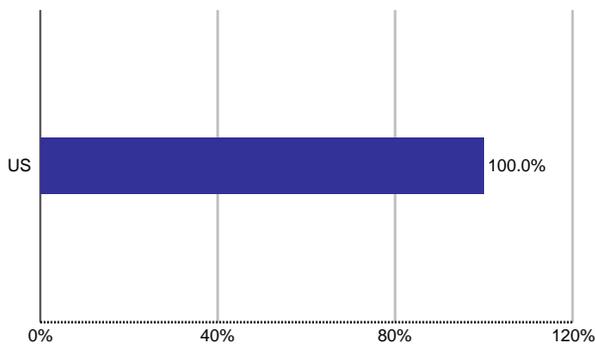
Portfolio Characteristics

			Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Total Asset Value (in Millions)	560.7		0.05	0.39	1.99	2.02
P/E Ratio	17.90	Tracking Error	2.58	(0.80)	(0.37)	(0.09)
Price to Book Ratio	2.06	Information Ratio	11.26	18.25	22.02	17.43
Dividend Yield (%)	1.42	Std Deviation of Port.	11.29	18.38	22.69	18.36
Return on Equity (%)	13.45	Std Deviation of Bench.	1.33	0.80	0.16	0.32
Sales Growth (%)	6.63	Sharpe Ratio of Port.	1.31	0.82	0.18	0.31
Market Capitalization (\$ Millions)	3,932.14	Sharpe Ratio of Bench.	1.00	1.00	0.99	0.99
Earnings per Share (\$)	2.56	R-Squared	0.19	(0.22)	(0.49)	0.30
Number of Holdings	401	Jensen's Alpha				

Top Ten Portfolio Holdings

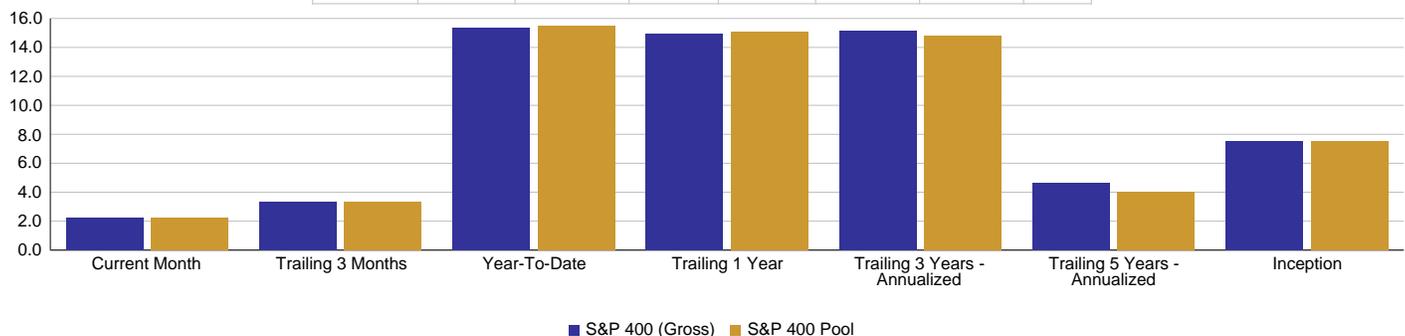
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	4.58%
75886F107	REGENERON PHARMACEUT - COM USD.001	1.08%
436106108	HOLLYFRONTIER CORP - COM USD.01	0.75%
031100100	AMETEK INC - COM USD1	0.74%
29444U502	EQUINIX INC - COM USD.001	0.73%
485170302	KANSAS CITY SOUTHERN - COM NPV	0.70%
92532F100	VERTEX PHARMACEUTICALS INC - COM USD.01	0.70%
693656100	PVH CORP - COM USD1	0.66%
554382101	MAGERICH CO - COM USD.01	0.62%
171340102	CHURCH & DWIGHT INC - COM NPV	0.62%

Top Ten Currency Weights

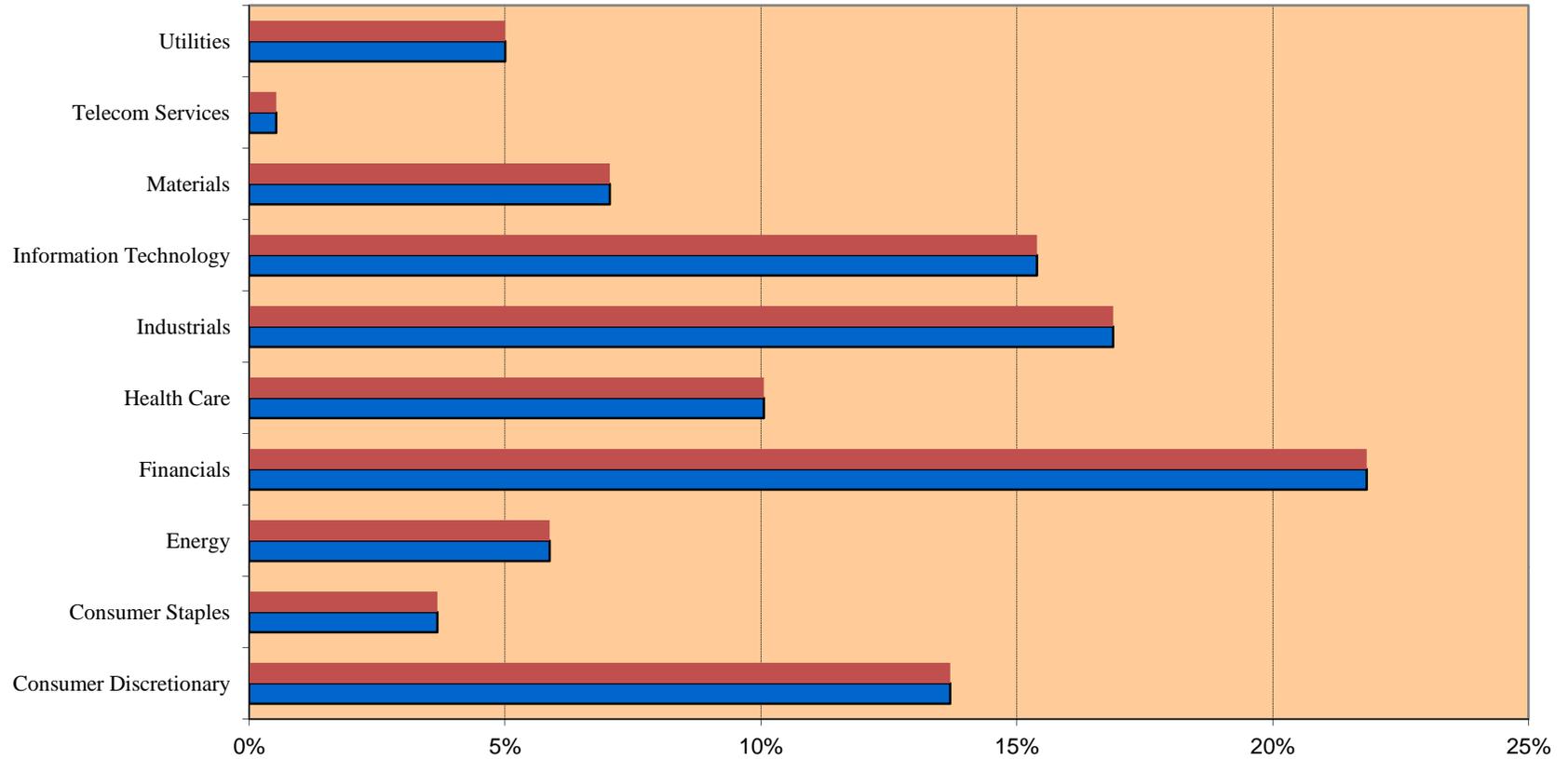


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	2.21	3.36	15.49	15.08	14.79	4.03	7.51
S&P 400 (Gross)	2.20	3.36	15.36	14.93	15.12	4.65	7.52
Excess	0.01	(0.00)	0.14	0.15	(0.33)	(0.62)	(0.01)



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



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P MIDCAP 400	13.70%	3.68%	5.87%	21.84%	10.06%	16.88%	15.40%	7.05%	0.53%	5.01%
■ STATE OF ARIZONA - POOL 203	13.70%	3.68%	5.87%	21.84%	10.06%	16.89%	15.39%	7.05%	0.53%	5.01%



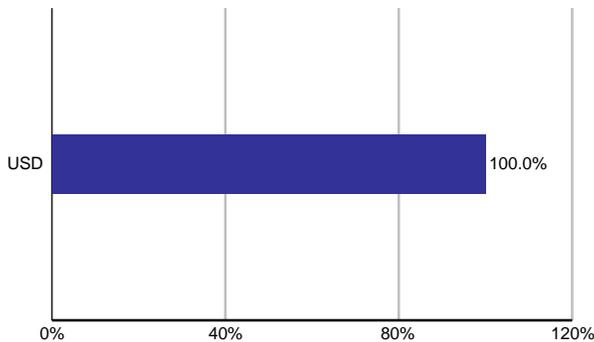
Portfolio Characteristics

			Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception
Total Asset Value (in Millions)	320.0		0.04	-	-	0.10
P/E Ratio	18.40	Tracking Error	2.48	-	-	(0.26)
Price to Book Ratio	1.85	Information Ratio	11.68	-	-	18.22
Dividend Yield (%)	1.25	Std Deviation of Port.	11.71	-	-	18.26
Return on Equity (%)	12.01	Sharpe Ratio of Port.	1.20	-	-	0.26
Sales Growth (%)	6.91	Std Deviation of Bench.	1.19	-	-	0.26
Market Capitalization (\$ Millions)	1,273.53	Sharpe Ratio of Bench.	1.00	-	-	1.00
Earnings per Share (\$)	1.61	R-Squared	0.16	-	-	(0.01)
Number of Holdings	601	Jensen's Alpha				

Top Ten Portfolio Holdings

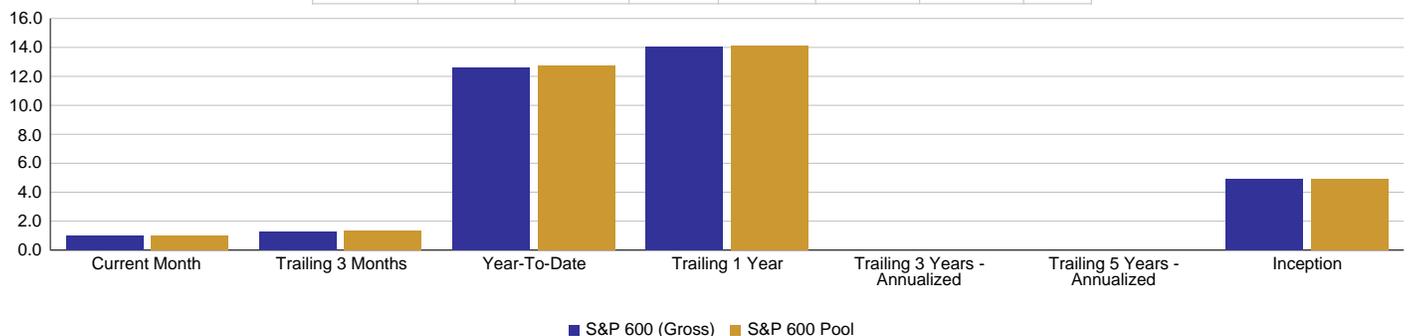
Security ID	Security Name	% of Assets
464287804	ISHARES TRUST CORE S&P SMALL-CAP ETF	3.64%
30225T102	EXTRA SPACE STORAGE INC - COM USD.01	0.69%
49427F108	KILROY REALTY CORP - COM USD.01	0.64%
875465106	TANGER FACTORY OUTLET CTRS - COM USD.01	0.59%
74267C106	PROASSURANCE CORP - COM NPV	0.53%
204166102	COMMVAULT SYSTEMS INC - COM USD.01	0.53%
232572107	CYMER INC - COM USD.001	0.52%
405217100	HAIN CELESTIAL GROUP INC - COM USD.01	0.52%
737464107	POST PROPERTIES INC - COM USD.01	0.51%
891092108	TORO CO - COM USD1	0.51%

Top Ten Currency Weights

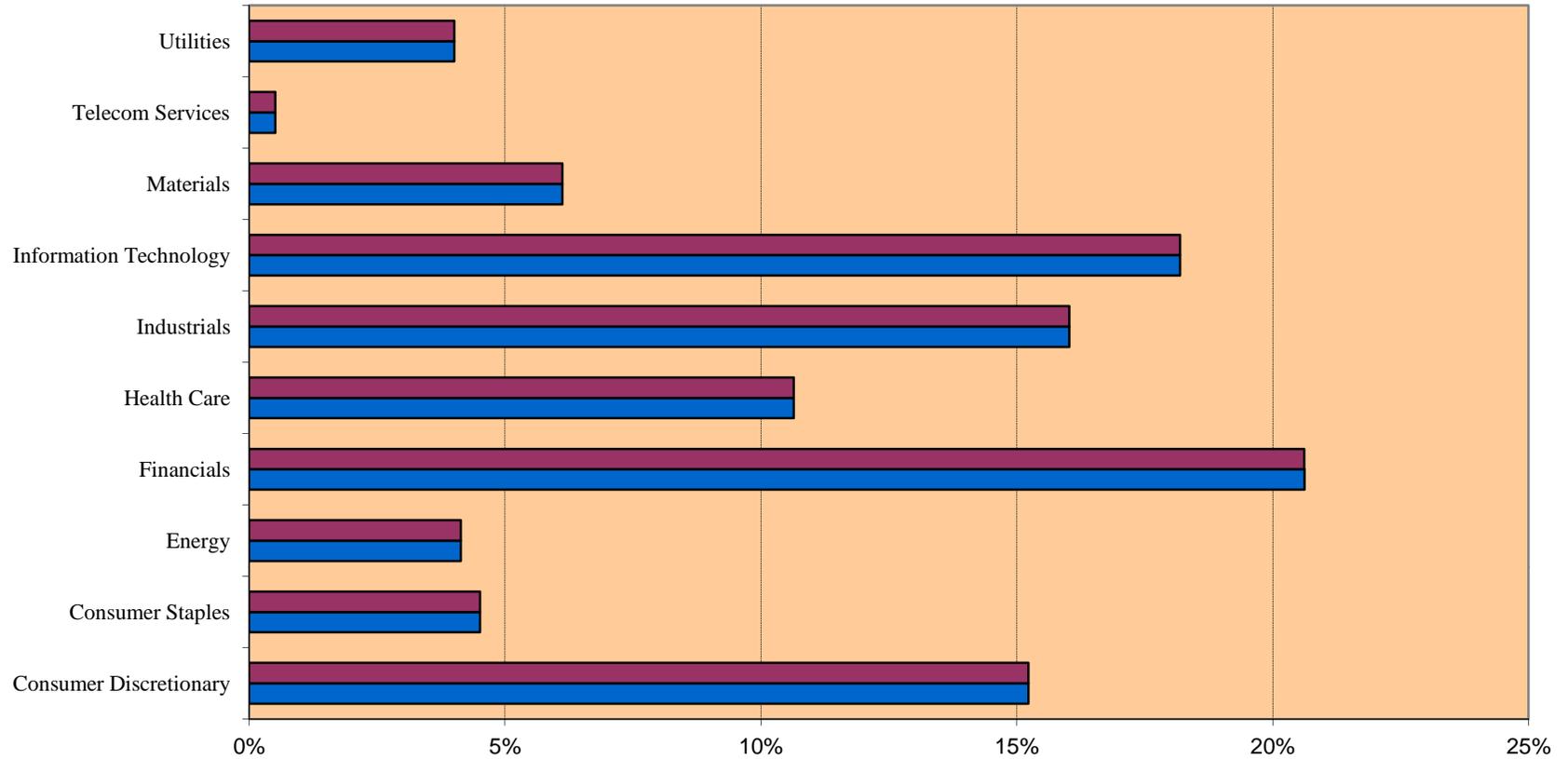


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 600 Pool	1.01	1.31	12.74	14.14			4.91
S&P 600 (Gross)	1.00	1.26	12.61	14.02			4.93
Excess	0.01	0.05	0.13	0.12	(0.00)	(0.00)	(0.02)



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

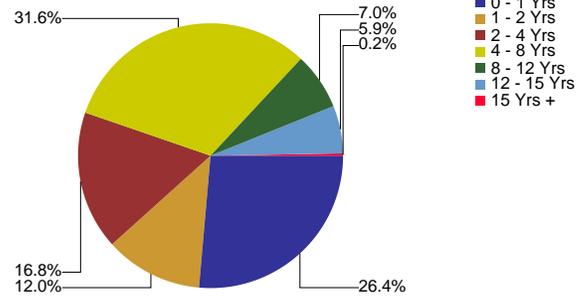


	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 600 Index	15.23%	4.51%	4.14%	20.62%	10.64%	16.03%	18.19%	6.12%	0.51%	4.01%
■ STATE OF ARIZONA - POOL 204	15.23%	4.51%	4.13%	20.62%	10.64%	16.03%	18.19%	6.12%	0.51%	4.01%

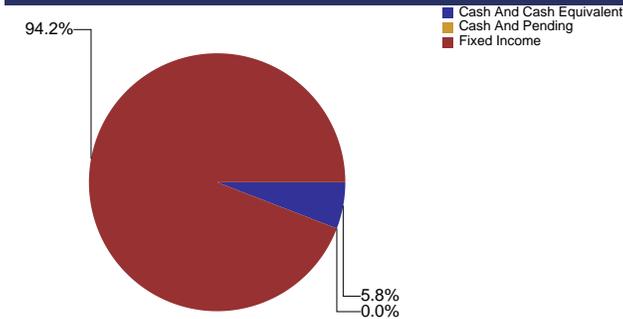


Portfolio Characteristics Duration Mix

Total Net Assets (Millions) 1,500.9
Weighted Average Life (Years) 5.46
Weighted Avg. Effective Duration (Years) 4.06
Weighted Average Coupon (%) 4.04
Weighted Average Current Yield (%) 0.78
Weighted Average Yield to Maturity (%) 0.88
Weighted Average Rating AA
Number of Holdings 255

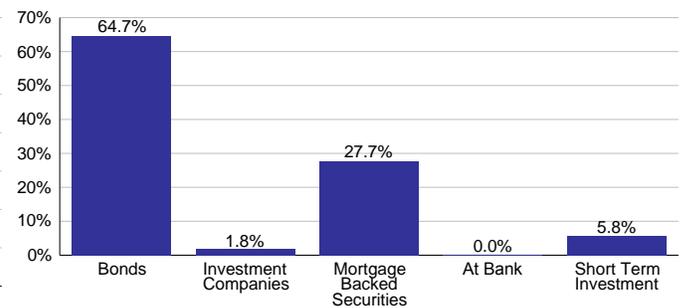
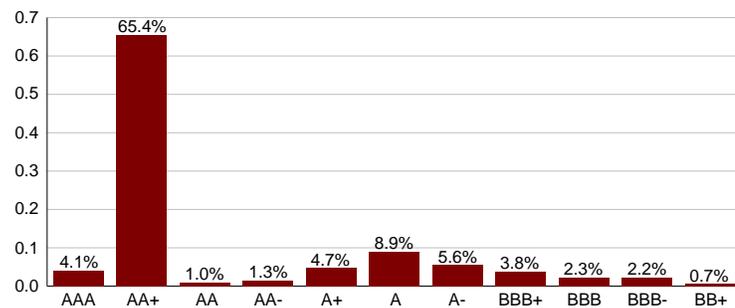


Asset Mix Top Ten Portfolio Holdings



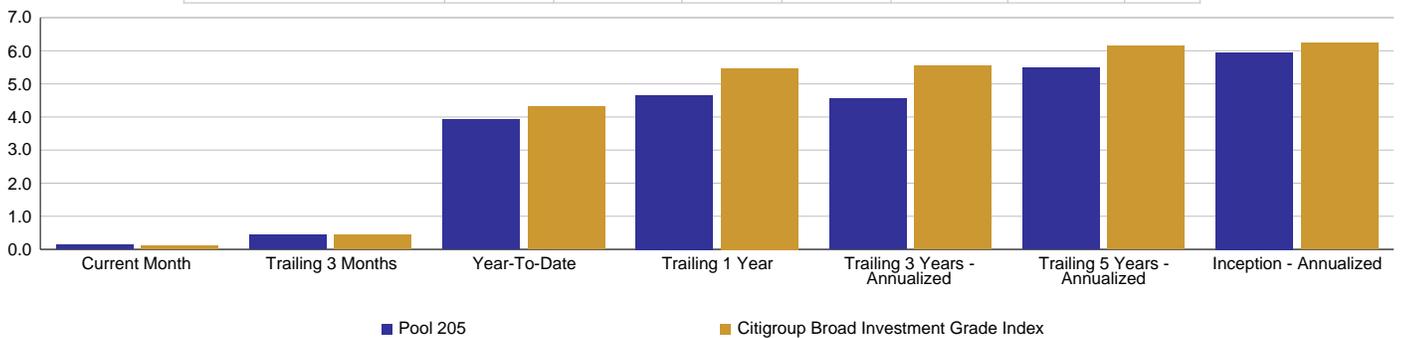
Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	5.79%	0.00	31/12/2049
539998765	LOCAL GOV INVS POOL 500	1.39%		
31359MQV8	FEDERAL NATIONAL MORTGAGE ASSOC 4.75% BDS	1.36%	4.75	21/2/2013
912810FA1	USA TREASURY BDS6.375% BDS 15/AUG/2027 USD1000	1.04%	6.38	15/8/2027
912810ED6	UNITED STATES OF AMER TREAS BONDS 8.125%	1.00%	8.12	15/8/2019
20825CAP9	CONOCOPHILLIPS 5.9% BDS 15/MAY/2038 USD1000	0.88%	5.90	15/5/2038
740816AD5	PRESIDENT & FELLOWS HARVARD COLLEGE 5.625% BDS	0.88%	5.62	1/10/2038
3137AF2R2	FREDDIE MAC 3920 AC 2.500% 15/SEP/2041	0.84%	2.50	15/9/2041
92343VAM6	VERIZON COMMUN 6.1% NTS 15/APR/2018 USD1000	0.83%	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)



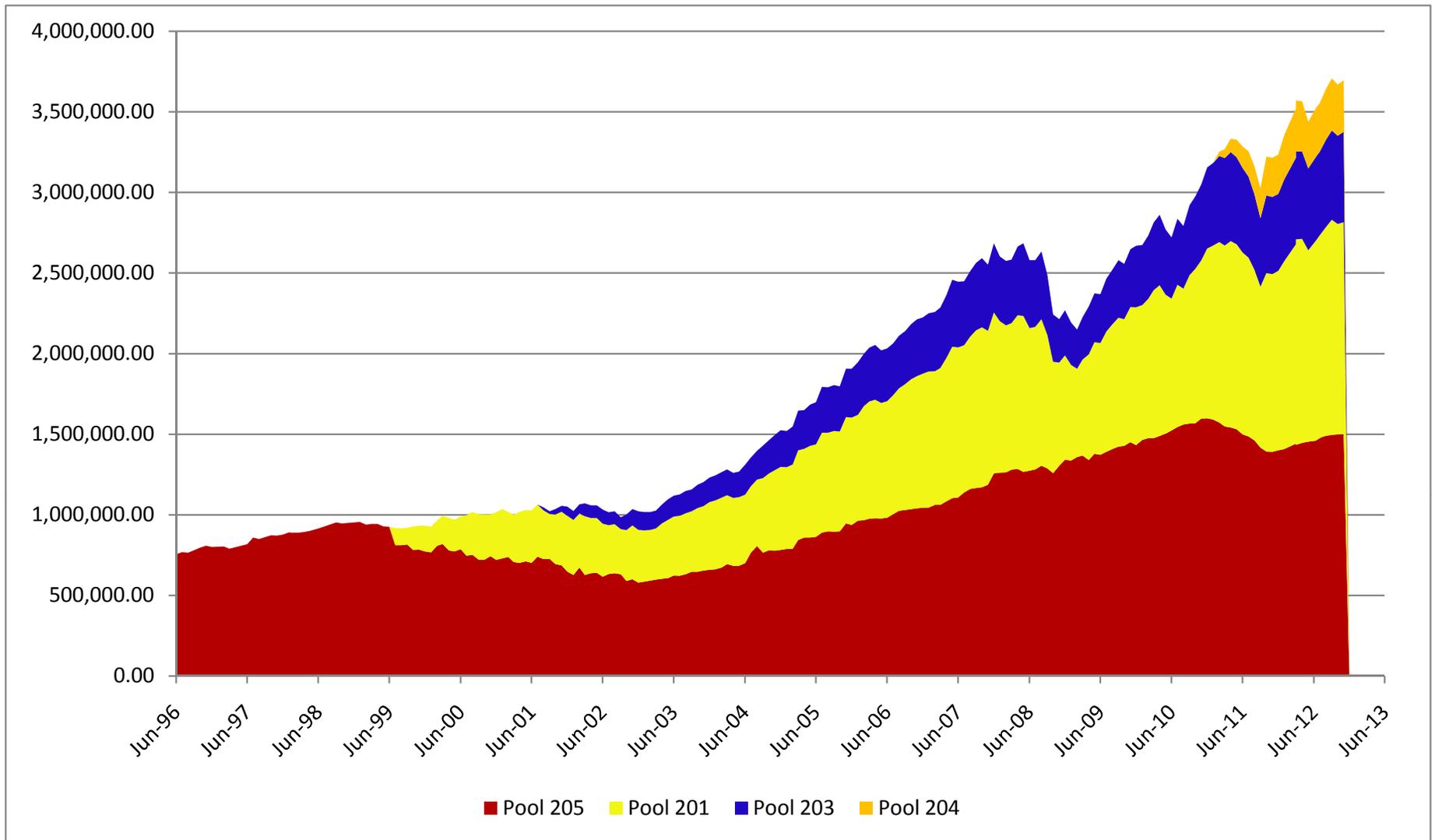
Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	0.23	0.54	4.01	4.76	4.59	5.51	5.96
Citigroup Broad Investment Grade Index	0.12	0.44	4.31	5.47	5.54	6.15	6.24
Excess	0.12	0.09	(0.30)	(0.71)	(0.95)	(0.64)	(0.28)



Thousands

Endowment Fund Market Value

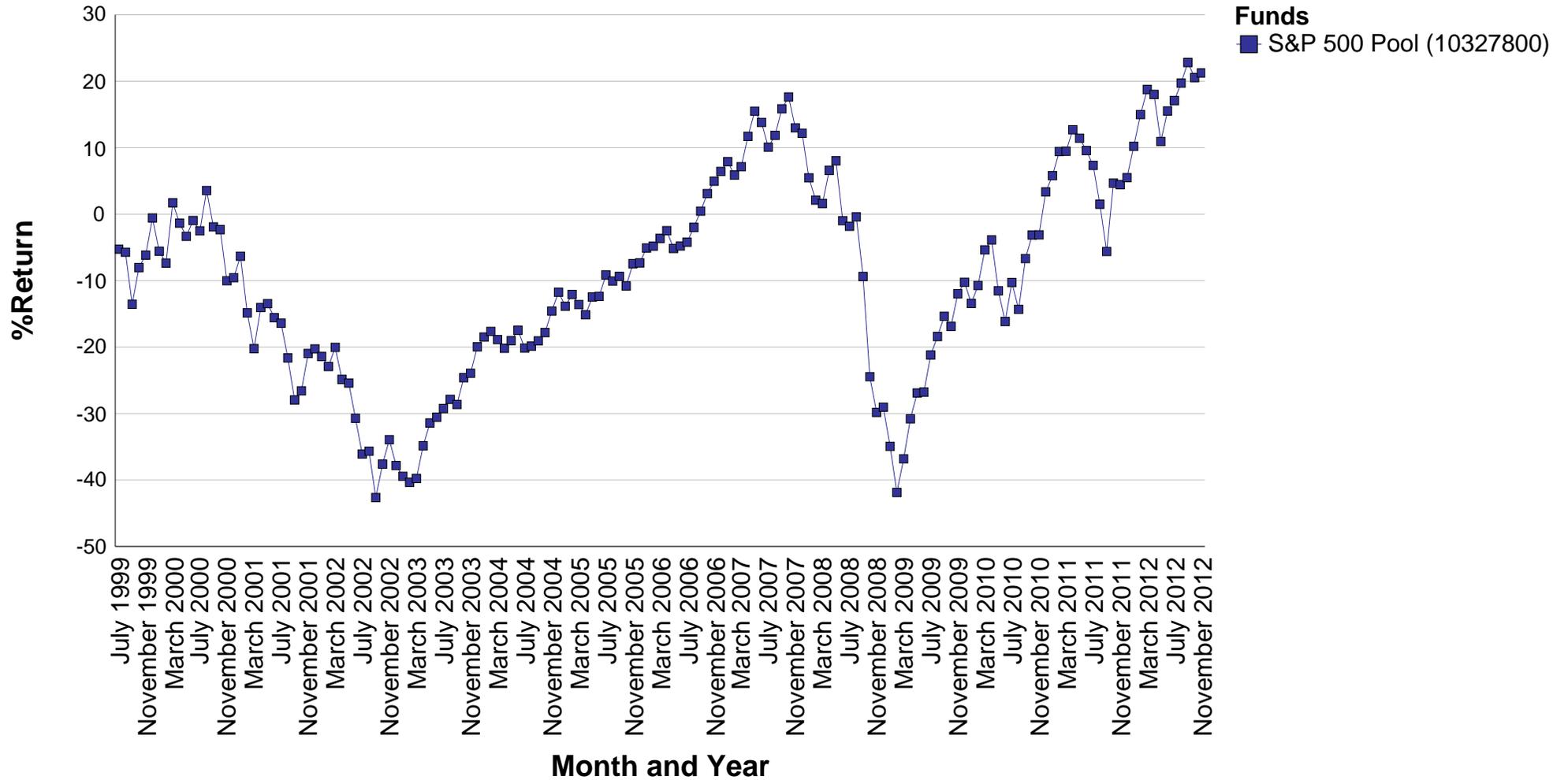


Performance Growth by Account

Arizona State Treasury (05509)

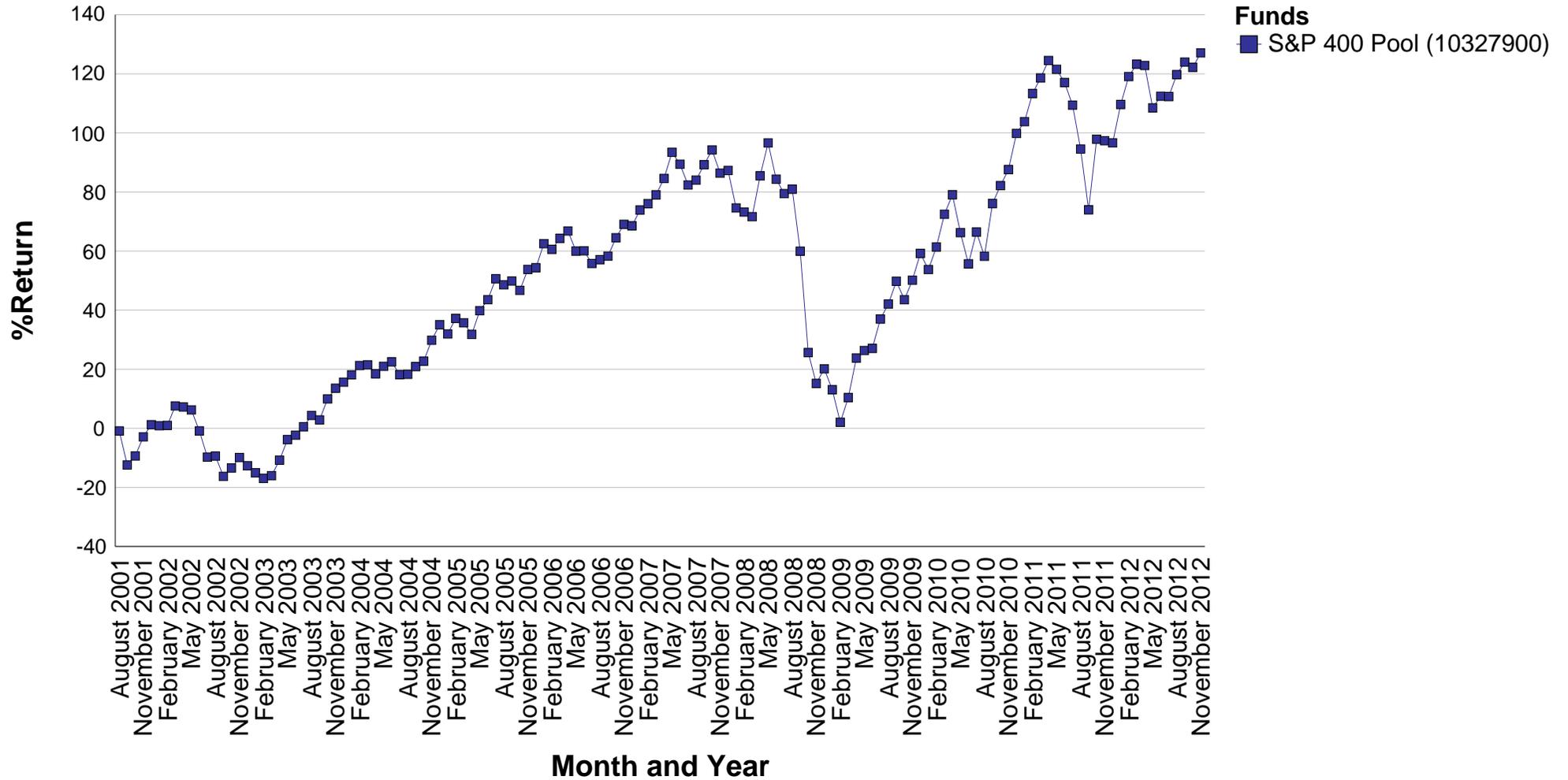
From July 1999 to November 2012

Gross of Fee



Performance Growth by Account

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

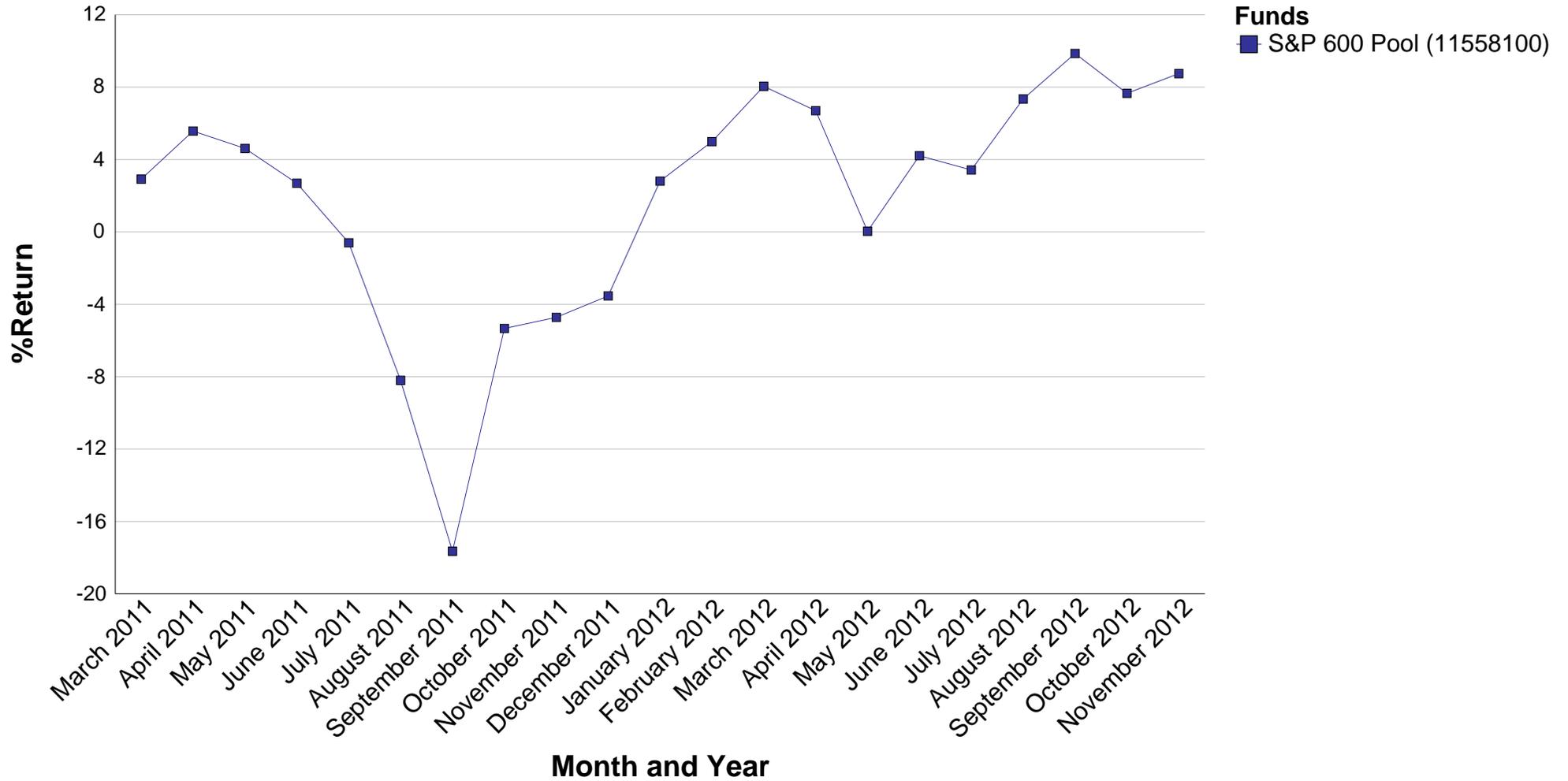


Performance Growth by Account

Arizona State Treasury (05509)

From March 2011 to November 2012

Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to November 2012

Gross of Fee

