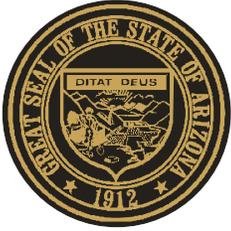


OFFICE OF THE
ARIZONA STATE TREASURER



Doug Ducey
TREASURER



OCTOBER 2013

Presented To:

Arizona State Board of Investment

NOVEMBER 25, 2013

STATE BOARD OF INVESTMENT

A G E N D A

November 25, 2013

1. Call to Order
2. Chairman Remarks
3. Approval of Minutes
4. Review of Treasurer's Monthly Reports
 - A. Earnings Distribution; Investment Pools
 - B. LGIP Pools Investments and Performance Reports
 - C. State Agency Pools Investments and Performance Reports
 - D. Operating Monies Invested Balances
 - E. Earnings Distributed Endowment Funds
 - F. Endowment Investments and Performance Reports
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

November 25, 2013

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on October 22, 2013 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
Lauren Kingry, Superintendent, Department of Financial Institutions
Harry A. Papp, CFA and Managing Partner, L. Roy Papp & Associate
Brian McNeil, Director of Arizona Department of Administration

Others Present:

Carlton Woodruff, Deputy Treasurer of Operations, Arizona State Treasurer's Office
Patty Humbert, Senior Portfolio Manager, Arizona State Treasurer's Office
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office
Chris Petkiewicz, Portfolio Manager, Arizona State Treasurer's Office
Martin Kelly, Investment Analyst, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Kevin Donnellan, Director of Communications, Arizona State Treasurer's Office
Sheila Asher, VP, Relationship Manager, JP Morgan
Doug Safford, Director, Fixed Income Sales, Wells Fargo Securities, LLC

Pursuant to A.R.S. 35-311, the following reports for September, 2013 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 October 22, 2013 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 October 22, 2013 meeting.

3. Approval of Minutes:

Mr. McNeil made a motion to approve the September 24, 2013 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 September, 2013.

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 September, 2013.

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 September, 2013.

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 September 30, 2013.

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 September, 2013.

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 September, 2013.

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 September 30, 2013.

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 September 30, 2013.

Operating Monies Average Invested Balance

Ms. Humbert reported the Operating Monies average invested balance for the month of September, 2013.

Mr. Kingry asked for a better understanding with reference to the duration in the pools. Ms. Humbert provided Mr. Kingry with a brief explanation on what may happen to the duration of the pools in the future under certain market conditions and what is being done to mitigate any issues that may occur.

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 September, 2013.

Endowment Funds Yield Analysis

Mr. White reported the net yield of the Endowment Fund Fixed Income Pool for the month of September, 2013.

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 September 2013 and 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 September, 2013.

Equity Funds Purchases & Sales

Mr. White reported the purchases and sales (summary) of the Endowment Equity Pools for the month of September, 2013.

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of September 30, 2013.

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 September 30, 2013.

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 September 30, 2013.

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 September 30, 2013.

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 September 30, 2013.

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 September 30, 2013.

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 September, 2013.

Mr. Papp asked for an opportunity to discuss the rebalancing by providing a brief overview on the market. After a brief discussion it was suggested that at this time it would make sense to adhere to the current policy.

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 September, 2013.

Approval of Treasurer's Report

Mr. Papp made a motion to approve the Treasurer's Report. Mr. Kingry 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.

8. Call to the Public

Sheila Asher advised the Board of the recent JP Morgan Settlement and suggested that she would share any updates with the team as they are made available.

9. Notice of Next Meeting:

Treasurer Ducey advised the Board that the next regular meeting of the Board of Investment will be Monday, November 25, 2013 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

Treasurer Ducey requested updates from the members. Mr. Papp provided a brief market update, stating that overall the economy continues to grow.

10. Adjournment:

Mr. Kingry made a motion to adjourn the BOI meeting. Mr. McNeil seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 2:09 p.m.

State Treasurer's Report
November 25, 2013 Meeting
Minutes of the October 22, 2013 Meeting

Respectfully Submitted by:

Barbara Conley
Executive Consultant II

Approved by:

Doug Ducey, Chair

Date

**EARNINGS DISTRIBUTION - INVESTMENT POOLS
OCTOBER 2013**

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	OCTOBER 2013	Fiscal YTD 13/14	Fiscal YTD 12/13	
General Fund	\$1,203,629	\$4,998,022	\$4,385,548	
2 State Agencies - Full Faith & Credit	472,370	2,129,472	1,988,274	\$198,398
3 State Agencies - Diversified (<i>Combined</i>)	1,128,552	4,696,849	4,518,371	438,398
4 State Agencies - Gov	486,991	1,806,354	1,706,734	192,245
5 LGIP	121,282	555,658	900,606	239,061
7 LGIP Gov	47,125	125,230	580,449	179,514
10 Tax-exempt Non-AMT Municipal Bonds	0	0	0	56,590
12 CAWCD Medium-Term	451,898	1,854,373	1,996,039	54,027
15 GADA Long-Term	17,545	79,344	72,060	2,297
16 ECDH Medium-Term	468,269	1,889,995	1,817,237	69,836
Subtotal	\$4,397,663	\$18,135,298	\$17,965,319	\$1,430,364
NAV POOL				
500 LGIP - Med Term	257,728	1,049,880	1,207,873	54,260
700 LGIP - FF&C Med Term	215,372	745,028	846,876	44,086
Total	\$4,870,763	\$19,930,205	\$20,020,068	\$1,528,710
OCTOBER 2012 TOTALS	\$4,721,498			\$1,567,317

* Note: All earnings distributed for Pool 10 Tax-exempt Non-AMT Municipal Bonds are reported in the General Fund line item.

**LGIP & LGIP- GOV
PORTFOLIO YIELD ANALYSIS
OCTOBER 31, 2013**

NET EARNINGS

FUND	DESCRIPTION	Current Month 10/31/13	Prior Month 09/30/13	Prior Year 10/31/12	Net Asset Value Per Share
5	LGIP	123,519	135,220	249,057	1.0000
7	LGIP - GOV	48,468	28,894	165,547	1.0000
	TOTAL LGIP & LGIP-GOV	171,987	164,115	414,604	

YIELDS

<u>MONTHLY</u>		Current Month 10/31/13	Prior Month 09/30/13	Prior Year 10/31/12
5	LGIP (NET)	0.12%	0.14%	0.25%
	S & P LGIP INDEX	0.05%	0.05%	0.11%
7	LGIP - GOV (NET)	0.06%	0.04%	0.15%
	3 MONTH T-BILL	0.04%	0.01%	0.10%
<u>YEAR TO DATE</u>				
5	LGIP (NET)	0.13%	0.14%	0.24%
	S & P LGIP INDEX	0.05%	0.05%	0.10%
7	LGIP - GOV (NET)	0.04%	0.03%	0.13%
	3 MONTH T-BILL	0.03%	0.02%	0.09%

* 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
OCTOBER 31, 2013**

NET EARNINGS

FUND	DESCRIPTION	Current Month 10/31/13	Prior Month 09/30/13	Prior Year 10/31/12	Net Asset Value Per Share
500	LGIP - MED TERM POOL	277,759	302,263	323,356	1.0320
700	LGIP - FF&C MED TERM POOL	215,372	218,891	182,809	1.0029
	TOTAL LGIP MEDIUM TERM POOLS	493,131	521,155	506,165	

YIELDS

MONTHLY

	Current Month 10/31/13	Prior Month 09/30/13	Prior Year 10/31/12
500 LGIP - MED TERM (NET)	1.15%	1.27%	1.40%
MERRILL 1-5 US D M INDEX	1.15%	1.20%	0.94%
700 LGIP - FF&C MED TERM (NET)	1.10%	1.12%	0.97%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.16%	1.23%	0.65%

YEAR TO DATE

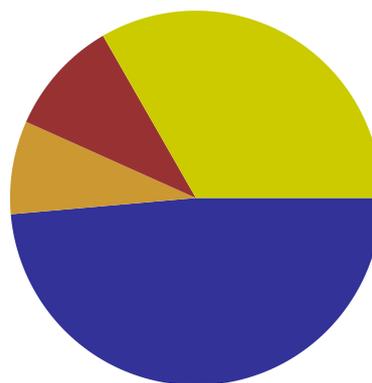
500 LGIP - MED TERM (NET)	1.19%	1.20%	1.50%
MERRILL 1-5 US D M INDEX	1.25%	1.29%	0.92%
700 LGIP - FF&C MED TERM (NET)	0.96%	0.91%	1.36%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.25%	1.28%	0.57%

Note: Yield calculation changed from share value to market value. Prior month and prior year shown was also adjusted for comparison purposes.

Manager Allocation - Daily Arizona State Treasury (05509) As of October 31, 2013

LGIP composite (00550903)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 5 (LGIP) (10327300)	1,396.69	48.5%
State of Arizona - Pool 500 (LGIP - Med Term) (10327700)	288.39	10.0%
State of Arizona - Pool 7 (LGIP - FF&C) (10327400)	961.90	33.4%
State of Arizona - Pool 700 (LGIP-FF&C Med Term) (10563200)	233.94	8.1%
TOTAL	2,880.92	100.0%

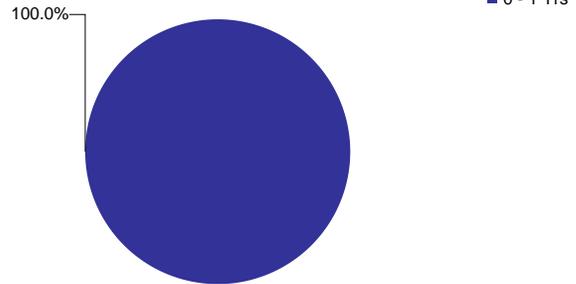
- State of Arizona - Pool 5 (LGIP) (10327300)
- State of Arizona - Pool 700 (LGIP-FF&C Med Term)
- State of Arizona - Pool 500 (LGIP - Med Term) (10327700)
- State of Arizona - Pool 7 (LGIP - FF&C) (10327400)



Portfolio Characteristics

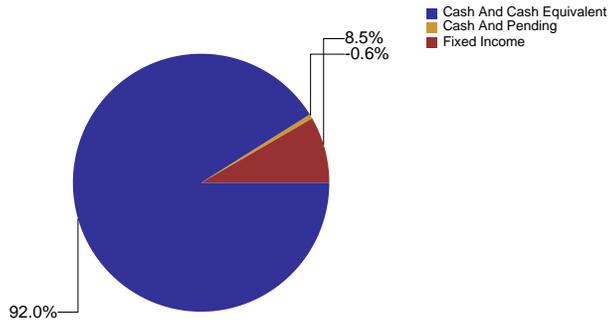
Duration Mix

Total Net Assets (Millions) **1,396.7**
 Weighted Average Life (Years) **0.05**
 Weighted Avg. Effective Duration (Years) **0.07**
 Weighted Average Maturity (Years) **0.06**
 Weighted Average Rating **AA+**
 Number of Holdings **60**



Asset Mix

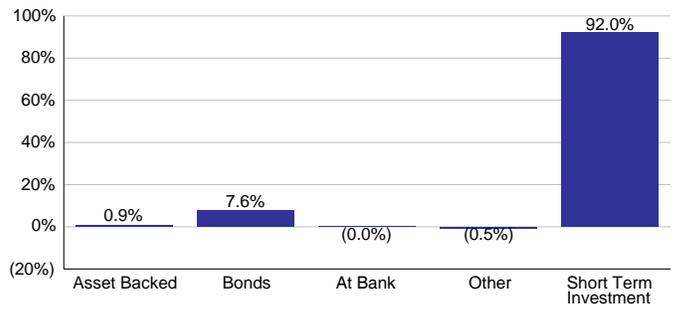
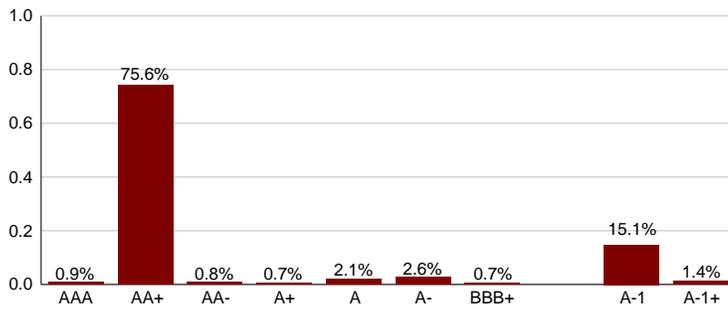
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
46999W014	TRI-PARTY REPO JP MORGAN 0.30% 19/AUG/2013	17.99%	0.30	1/11/2013
5199U5878	TRI-PARTY REPO DEUTSCHE .08% 1/NOV/2013	14.24%	0.08	1/11/2013
85299SE88	TRIPARTY REPO SOUTH STREET 0.14% 1/NOV/2013	11.98%	0.14	1/11/2013
46999W022	TRI-PARTY REPO JP MORGAN REPO SWEEP 0.20%	7.15%	0.20	1/11/2013
38199EU16	TRI-PARTY REPO GOLDMAN SACHS 0.05% 29/NOV/2013	7.12%	0.05	29/11/2013
853990T74	TRI-PARTY REPO SOUTH STREET 0.07% 1/NOV/2013	7.12%	0.07	1/11/2013
85299S828	TRI-PARTY REPO SOUTH STREET 0.10 05/DEC/2013	5.34%	0.10	5/12/2013
3169934U5	FIDELITY INVESTMENTS - PRIME MONEY MARKET	3.56%	0.00	1/11/2013
38143USB8	GOLDMAN SACHS GRP FRN 07/FEB/2014 USD2000	1.08%	0.00	7/2/2014
693476BA0	PNC FUNDING CORPORATION SR FLTG RATE NTS	1.07%	0.00	31/1/2014

Quality/Rating Weightings

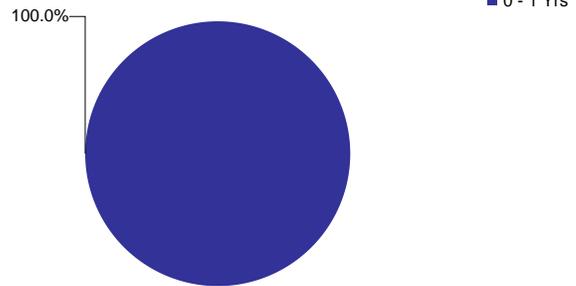
Sector Weightings (as % of Market Value)



Portfolio Characteristics

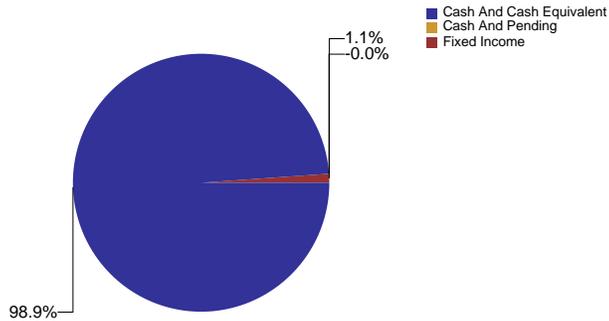
Duration Mix

Total Net Assets (Millions) **961.9**
 Weighted Average Life (Years) **0.08**
 Weighted Avg. Effective Duration (Years) **0.08**
 Weighted Average Maturity (Years) **0.09**
 Weighted Average Rating **AA+**
 Number of Holdings **16**



Asset Mix

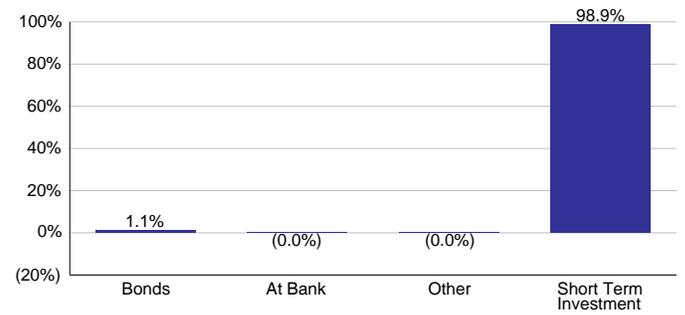
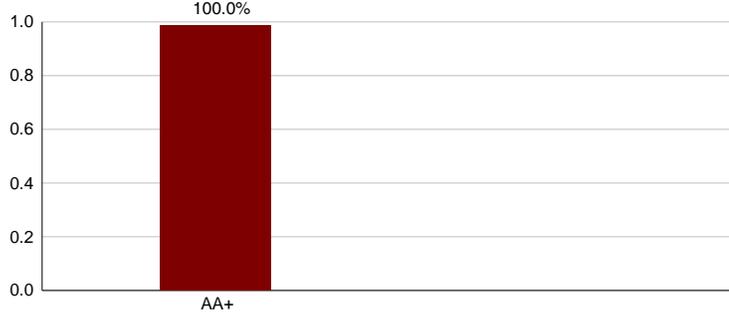
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
60699N034	TRI-PARTY REPO NOMURA .12% 11/1/2013	25.99%	0.12	1/11/2013
65599D861	TRI-PARTY REPO NOMURA .12% 11/1/2013	10.64%	0.12	1/11/2013
01899A018	ALLIANCE BANK OF ARIZONA MONEYMARKET 0.26%	10.41%	0.26	1/11/2013
94999AB77	TRI-PARTY REPO WELLS FARGO 0.16% 12/6/2013	10.40%	0.16	6/12/2013
94999AB51	TRI-PARTY REPO WELLS FARGO 0.06% 11/01/2013	10.40%	0.06	1/11/2013
65599D507	TRI-PARTY REPO NOMURA 0.05% 11/01/2013	10.40%	0.05	1/11/2013
15199R430	TRI-PARTY REPO DEUTSCHE BANK 0.03% 11/01/2013	10.40%	0.03	1/11/2013
912796BT5	UNITED STATES OF AMERICA BILL ZERO CPN 24/JUL/2014	5.19%	0.00	24/7/2014
60699D234	TRI-PARTY REPO MIZUHO .09% 11/8/2013	1.78%	0.09	8/11/2013
912828CJ7	UNITED STATES TREAS NTS 4.75%15/MAY/2014	1.09%	4.75	15/5/2014

Quality/Rating Weightings

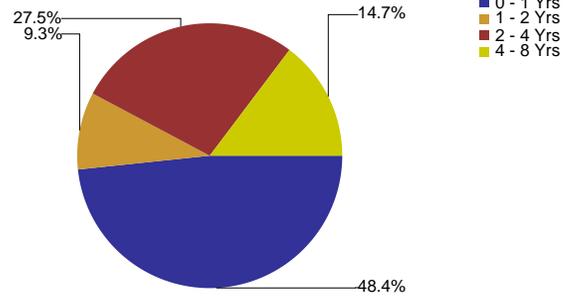
Sector Weightings (as % of Market Value)



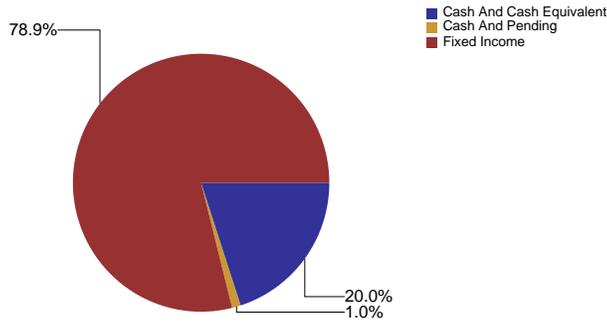
Portfolio Characteristics

Total Net Assets (Millions) **288.4**
 Weighted Average Life (Years) **2.01**
 Weighted Avg. Effective Duration (Years) **1.77**
 Weighted Average Rating **AA**
 Number of Holdings **200**

Duration Mix



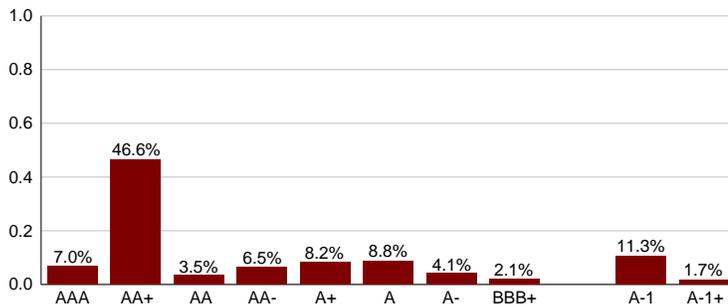
Asset Mix



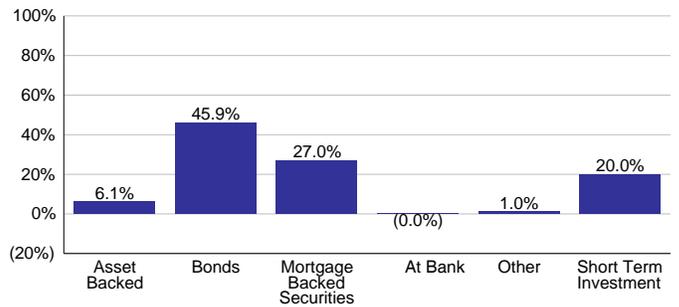
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599D861	TRI-PARTY REPO NOMURA .12% 1/NOV/2013	4.56%	0.12	1/11/2013
31417CUR4	FNMA MORTPASS 2.5% 01/AUG/2027 CI PN# AB5991	4.30%	2.50	1/8/2027
31419JM47	FNMA MORTPASS 4.5% 01/NOV/2040 CL PN# AE7578	3.02%	4.50	1/11/2040
313381LT0	FEDERAL HOME LOAN BANKS BOND FIXED .16%	1.75%	0.16	19/12/2013
85299S828	TRI-PARTY REPO SOUTH STREET 0.10 05/DEC/2013	1.75%	0.10	5/12/2013
313385PN0	FEDL HOME LOAN BK CONS DISC NT MATURES 21/NOV/2005	1.75%	0.00	21/11/2013
67983UAM5	OLD LINE FUNDING LLC CORPORATE COMMERCIAL PAPER	1.75%	0.00	21/11/2014
3128MMQT3	FHLMCGLD MORTPASS 2.5% 01/MAY/2028 G1 PN# G18465	1.72%	2.50	1/5/2028
3137ARRT5	FREDDIE MAC 4080 DA 2.000% 15/MAR/2041	1.57%	2.00	15/3/2041
3132GU4P6	FHLMCGLD MORTPASS 3.5% 01/JUL/2042 Q0 PN# Q09530	1.57%	3.50	1/7/2042

Quality/Rating Weightings



Sector Weightings (as % of Market Value)

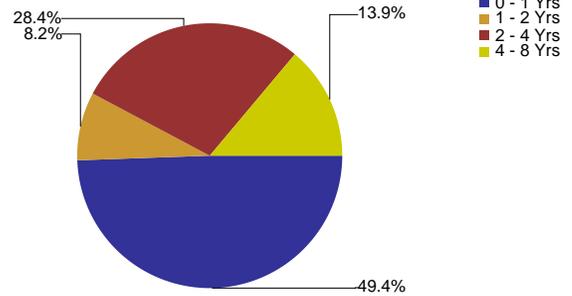


Portfolio Characteristics

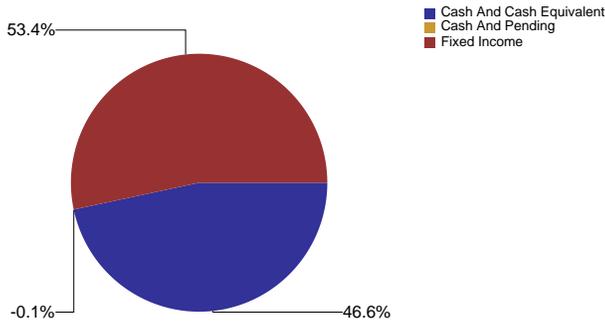
Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

233.9
2.21
1.81
AA+
66

Duration Mix



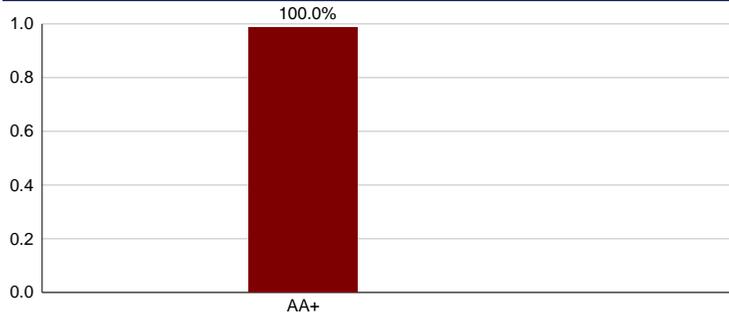
Asset Mix



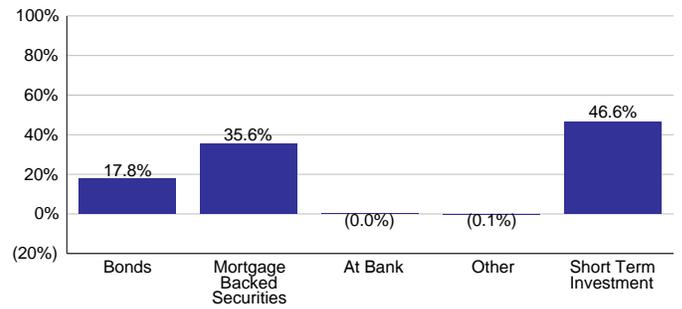
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599D861	TRI-PARTY REPO NOMURA .12% 01/NOV/2013	23.92%	0.12	1/11/2013
94999AB77	TRI-PARTY REPO WELLS FARGO 0.16% 06/DEC/2013	10.68%	0.16	6/12/2013
39675DN	FDIC US BANK CDARS ACCOUNT 0.3% 01/NOV/2013	6.45%	0.30	1/11/2013
60699C871	TRI PARTY REPO MIZUHO BANK LTD 0.06% DTD	4.27%	0.06	6/1/2014
36202FL61	GNMA II MORTPASS 4% 20/NOV/2040 JM PN# 004849	3.30%	4.00	20/11/2040
36179MGW4	GNMA II MORTPASS 3% 20/JUL/2042 JM PN# MA0213	3.04%	3.00	20/7/2042
38378H4K9	GINNIE MAE 2012-124 KB 2.000% 20/JUL/2042	2.83%	2.00	20/7/2042
912828LL2	US TREASURY 3.00000 '16	2.29%	3.00	31/8/2016
36179MAH3	GNMA II MORTPASS 3.5% 20/APR/2027 SF PN# MA0008	2.24%	3.50	20/4/2027
912828TW0	US TREASURY BDS 0.75000 '17	2.12%	0.75	31/10/2017

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



**STATE AGENCY POOLS
PORTFOLIO EARNINGS ANALYSIS
October 31, 2013**

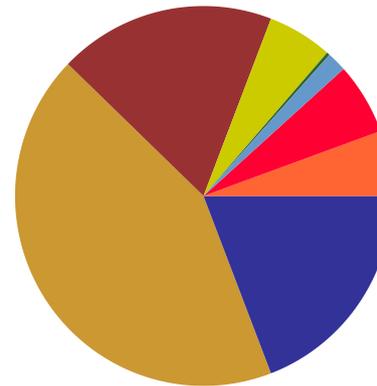
FUND	DESCRIPTION	Current Month 10/31/13	Prior Month 09/30/13	Prior Year 10/31/12	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	618,738	767,632	610,339	0.9948
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	1,721,240	1,685,619	1,495,497	0.9952
	EXTERNAL MANAGERS	61,471	49,744	55,987	1.0003
	FUND 3 TOTAL	1,782,710	1,735,363	1,551,484	0.9954
4	STATE AGENCIES - GOV	788,439	689,082	658,104	0.9913
10	TAX-EXEMPT NON-AMT MUNICIPAL BONDS	78,046	66,101	N/A	1.0003
12	CAWCD MEDIUM-TERM	451,898	469,356	443,627	1.0102
15	GADA LONG-TERM	17,545	17,954	20,022	0.9911
16	ECDH MEDIUM-TERM	468,269	468,722	517,152	0.9849
	TOTAL STATE AGENCIES	4,205,645	4,214,210	3,800,728	

**STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
OCTOBER 31, 2013**

FUND	DESCRIPTION	Current Month 10/31/13	Prior Month 09/30/13	Prior Year 10/31/12
2	STATE AGENCIES - FULL FAITH & CREDIT	0.73%	0.88%	0.74%
	75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	0.81%	0.81%	0.48%
3	STATE AGENCIES - DIVERSIFIED			
	INTERNAL MANAGERS	0.93%	0.92%	0.97%
	EXTERNAL MANAGERS	0.72%	0.60%	0.66%
	COMBINED	0.92%	0.91%	0.95%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.43%	0.46%	0.58%
4	STATE AGENCIES - GOV	0.93%	0.76%	0.79%
	50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.20%	0.19%	0.22%
10	TAX-EXEMPT NON-AMT MUNICIPAL BONDS	0.31%	0.27%	N/A
	SIFMA MUNICIPAL SWAP INDEX	0.08%	0.06%	N/A
12	CAWCD MEDIUM-TERM	1.86%	2.00%	1.84%
	BARCLAYS CAPITAL US AGG. BOND INDEX	2.25%	2.34%	1.70%
15	GADA LONG-TERM	1.70%	1.80%	1.95%
	MERRILL 3-5 US BROAD MARKET EX CORP	1.61%	1.65%	1.06%
16	ECDH MEDIUM-TERM	1.68%	1.69%	1.86%
	BARCLAYS CAPITAL US AGG. BOND INDEX	2.25%	2.34%	1.70%

Manager Allocation - Daily Arizona State Treasury (05509) As of October 31, 2013

Pool Composite (00550904)		
Account Name	Market Value(MIL)	Percent of Portfolio
State of Arizona - Pool 10 (State Operating) (11741000)	300.71	5.6%
State of Arizona - Pool 12 (CAWCD - Med Term) (10327500)	290.26	5.4%
State of Arizona - Pool 15 (GADA) (10327600)	12.00	0.2%
State of Arizona - Pool 16 (ECDH) (13074500)	328.55	6.1%
State of Arizona - Pool 2 (State Agency - FF&C) (10327000)	1,030.62	19.3%
State of Arizona - Pool 3 (State Agency - Diversified) (10327100)	2,296.14	42.9%
State of Arizona - Pool 4 (State Agency Rest Div) (10327200)	988.89	18.5%
State of Arizona Pool 3 (external US Banc) (17699900)	100.77	1.9%
TOTAL	5,347.96	100.0%

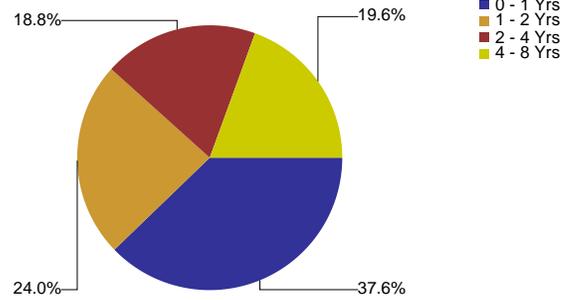


- State of Arizona - Pool 2 (State Agency - FF&C)
- State of Arizona - Pool 3 (State Agency - Divers)
- State of Arizona - Pool 4 (State Agency Rest Di
- State of Arizona - Pool 10 (State Operating) (11
- State of Arizona - Pool 15 (GADA) (10327600)
- State of Arizona Pool 3 (external US Banc) (1769
- State of Arizona - Pool 16 (ECDH) (13074500)
- State of Arizona - Pool 12 (CAWCD - Med Term) (1

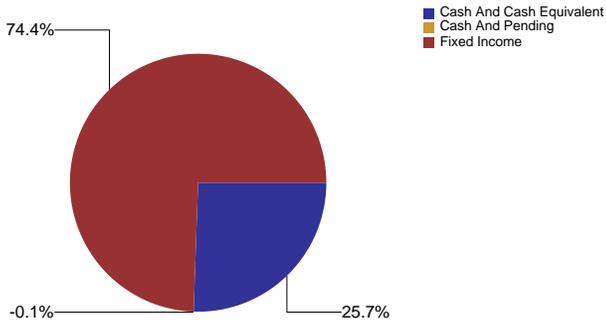
Portfolio Characteristics

Total Net Assets (Millions) **1,030.6**
 Weighted Average Life (Years) **2.43**
 Weighted Avg. Effective Duration (Years) **1.96**
 Weighted Average Rating **AA+**
 Number of Holdings **105**

Duration Mix



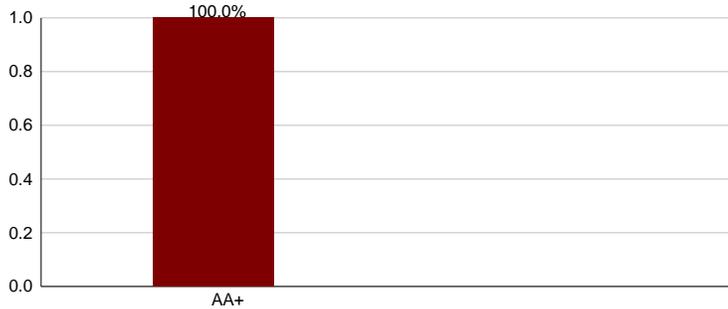
Asset Mix



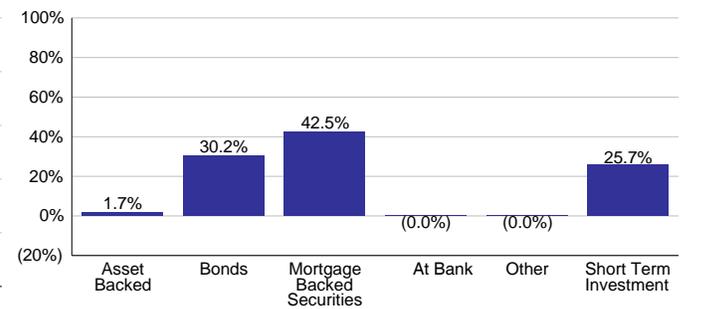
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
65599D853	TRI-PARTY REPO NOMURA .03% 1/NOV/2013	16.49%	0.03	1/11/2013
912828DM9	US TREASURY 4.00000 '15	5.13%	4.00	15/2/2015
912828RZ5	US TREASURY 0.25000 '15	4.86%	0.25	15/1/2015
38375GHL8	GINNIE MAE 2012-84 LB 2.000% 16/MAY/2042	3.55%	2.00	16/5/2042
912796BT5	UNITED STATES OF AMERICA BILL ZERO CPN 24/JUL/2014	2.91%	0.00	24/7/2014
912796BE8	UNITED STATES OF AMERICA BILL ZERO CPN 01/MAY/2014	2.42%	0.00	1/5/2014
38377X5L2	GINNIE MAE 2012-137 FA VARIABLE 20/NOV/2042	2.33%	0.47	20/11/2042
38378EGJ6	GINNIE MAE 2012-51 EA 1.500% 20/SEP/2040	2.13%	1.50	20/9/2040
912828KV1	UNITED STATES TREAS NTS 02.250% 31/MAY/2014	1.98%	2.25	31/5/2014
912828SL5	UNITED STATES TREAS NTS 0.25%31/MAR/2014	1.94%	0.25	31/3/2014

Quality/Rating Weightings



Sector Weightings (as % of Market Value)

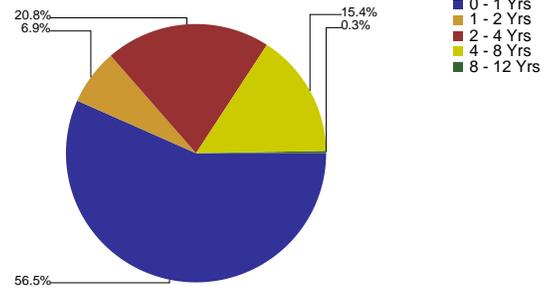


Portfolio Characteristics

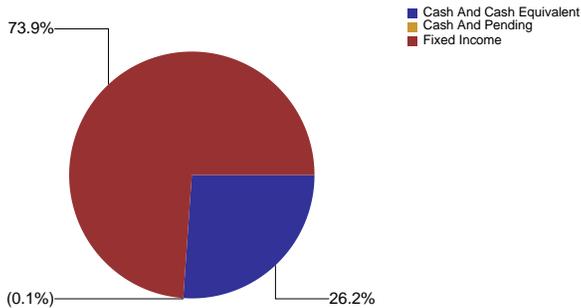
Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

2,396.9
2.05
1.60
AA
337

Duration Mix



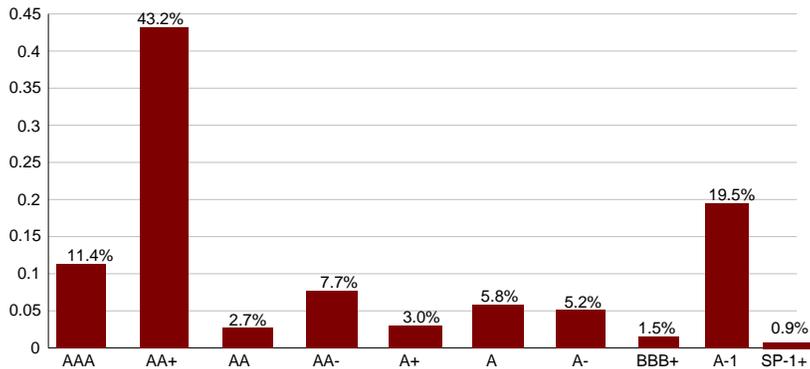
Asset Mix



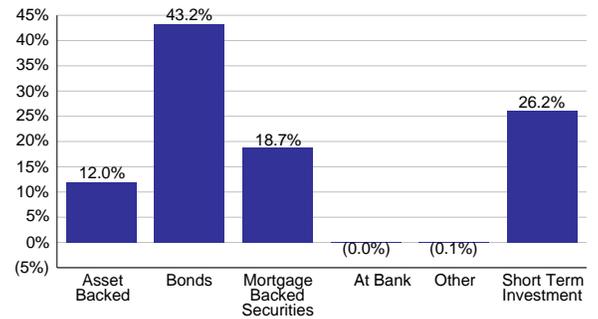
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299SE88	TRIPARTY REPO SOUTH STREET 0.05% 10/31/2013	3.41%	0.05	1/11/2013
92646KYL0	VICTORY RECEIVABLES CORPORATE COMMERCIAL PAPER	1.97%	0.00	20/11/2013
38346LY75	GOTHAM FDG CORP CORPORATE COMMERCIAL PAPER	1.82%	0.00	7/11/2013
63743CYD9	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	1.78%	0.00	13/11/2013
25155BK07	DEUTSCHE BANK AG NY CERTIFICATE OF DEPOSIT FIXED	1.68%	0.73	23/1/2014
06538GLE0	BNK OF TKYO-MTBSHI L CERTIFICATE OF DEPOSIT FIXED	1.67%	0.16	8/11/2013
62455AY76	MOUNTCLIFF CORPORATE COMMERCIAL PAPER DISCOUNT	1.67%	0.00	7/11/2013
06945LYF9	BARTON CAPITAL CORP. CORPORATE COMMERCIAL PAPER	1.67%	0.00	15/11/2013
60688GAE7	MIZUHO FUNDING LLC CORPORATE COMMERCIAL PAPER	1.67%	0.00	14/1/2014
3135G0XD0	FEDERAL NATL MORTGAGE ASSOC 1% BDS 21/MAY/2018	1.63%	1.00	21/5/2018

Quality/Rating Weightings



Sector Weightings (as % of Market Value)

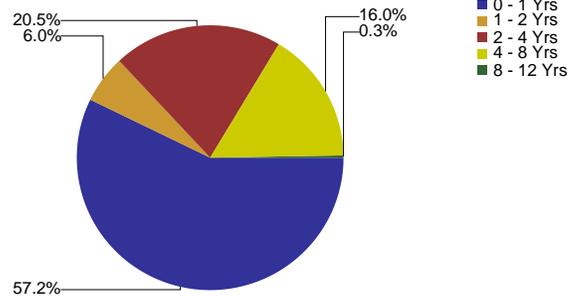


Portfolio Characteristics

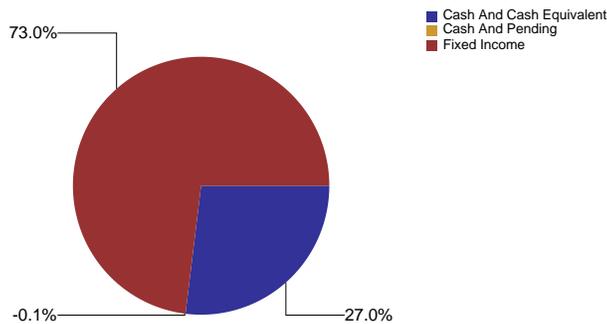
Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

2,296.1
2.08
1.61
AA
193

Duration Mix



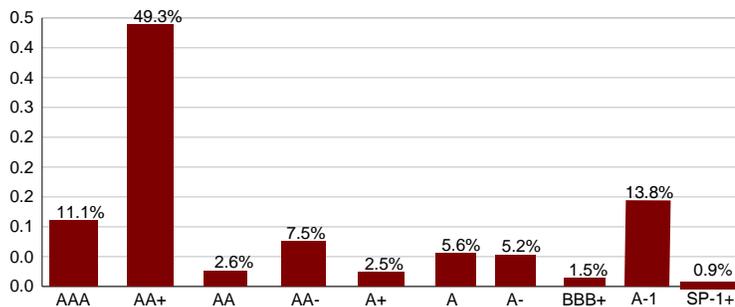
Asset Mix



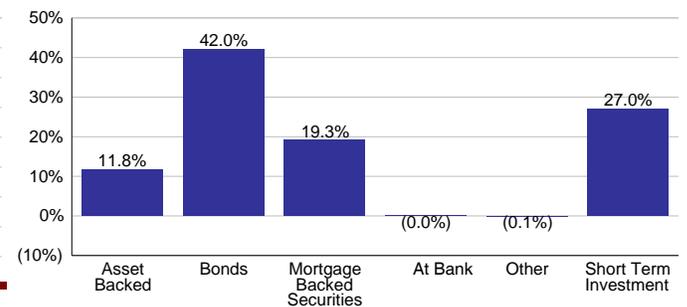
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
85299SE88	TRIPARTY REPO SOUTH STREET 0.14% 11/1/2013	3.56%	0.14	1/11/2013
92646KYL0	VICTORY RECEIVABLES CORPORATE COMMERCIAL PAPER	2.06%	0.00	20/11/2013
38346LY75	GOTHAM FDG CORP CORPORATE COMMERCIAL PAPER	1.90%	0.00	7/11/2013
63743CYD9	NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORP	1.86%	0.00	13/11/2013
25155BKQ7	DEUTSCHE BANK AG NY CERTIFICATE OF DEPOSIT FIXED	1.75%	0.73	23/1/2014
06538GLE0	BNK OF TKYO-MTBSHI L CERTIFICATE OF DEPOSIT FIXED	1.74%	0.16	8/11/2013
62455AY76	MOUNTCLIFF CORPORATE COMMERCIAL PAPER DISCOUNT DTD	1.74%	0.00	7/11/2013
06945LYF9	BARTON CAPITAL CORP. CORPORATE COMMERCIAL PAPER	1.74%	0.00	15/11/2013
60688GAE7	MIZUHO FUNDING LLC CORPORATE COMMERCIAL PAPER	1.74%	0.00	14/1/2014
3135G0XD0	FEDERAL NATIONAL MORTGAGE ASSOC 1% BDS 21/MAY/2018	1.70%	1.00	21/5/2018

Quality/Rating Weightings



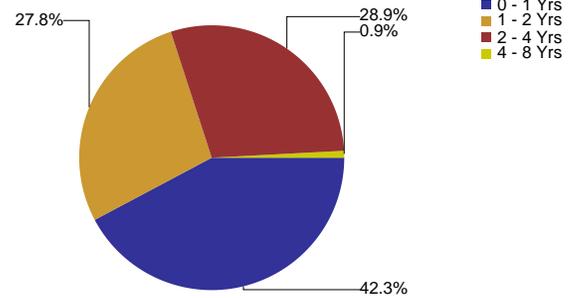
Sector Weightings (as % of Market Value)



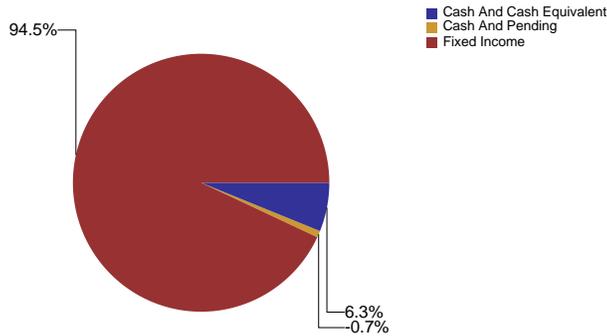
Portfolio Characteristics

Total Net Assets (Millions) **100.8**
 Weighted Average Life (Years) **1.20**
 Weighted Avg. Effective Duration (Years) **1.36**
 Weighted Average Rating **AA**
 Number of Holdings **144**

Duration Mix



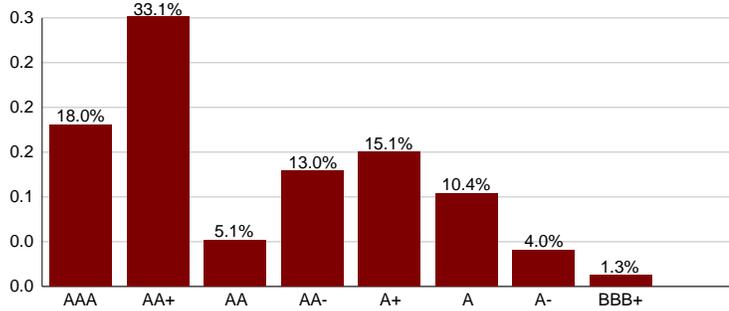
Asset Mix



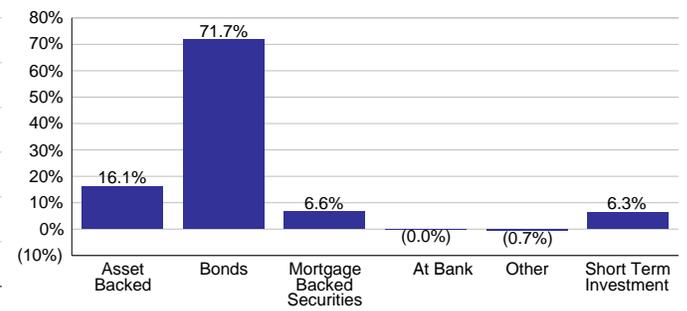
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3133EAZU5	FEDERAL FARM CREDIT BANKS 0.45% BDS 24/APR/2015	2.46%	0.45	24/4/2015
94985H5G5	WELLS FARGO BANK N A SR FLT NT 15 20/JUL/2015	2.27%	0.00	20/7/2015
64952WBG7	NEW YORK LIFE GLOBAL FUNDING VAR BDS 18/JUN/2014	1.97%	0.00	18/6/2014
3135G0XU2	FEDERAL NATIONAL MORTGAGE ASSOC 0.52% NTS	1.97%	0.52	27/5/2016
78009NNG7	ROYAL BANK OF CANADA FRN 21/JUN/2016 USD1000	1.77%	0.00	21/6/2016
12623MAC7	CNH EQUIPMENT TST 0.94% BDS 15/MAY/2017 USD1000	1.71%	0.94	15/5/2017
69371RL38	PACCAR FINANCIAL CORP FRN 08/FEB/2016 USD1000	1.58%	0.00	8/2/2016
254683BA2	DISCOVER CARD MASTER TRUST 1 0.69% MTG BDS	1.55%	0.69	15/8/2018
91282BNV8	US TREASURY 1.25000 '15	1.51%	1.25	31/8/2015
38377XPJ5	GINNIE MAE 2011-115 PD 2.000% 20/OCT/2038	1.51%	2.00	20/10/2038

Quality/Rating Weightings



Sector Weightings (as % of Market Value)

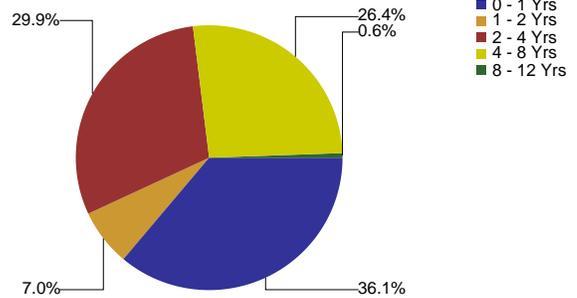


Portfolio Characteristics

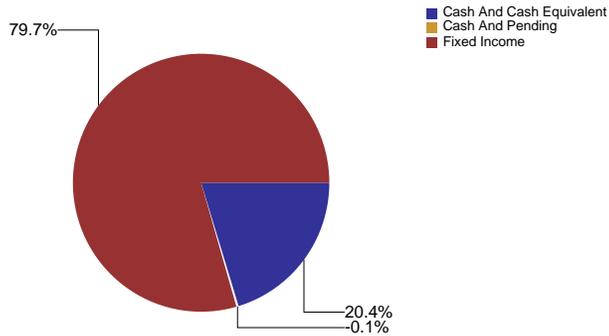
Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

988.9
2.68
2.49
AA+
93

Duration Mix



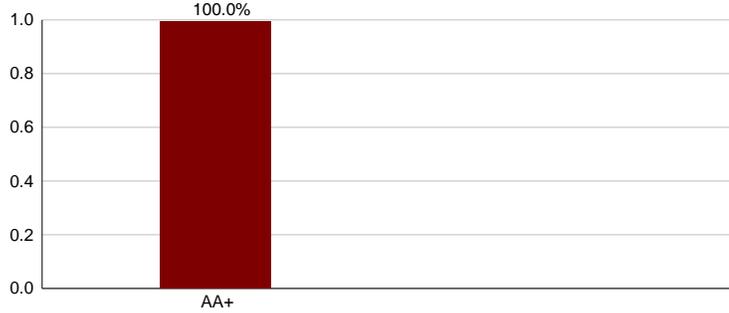
Asset Mix



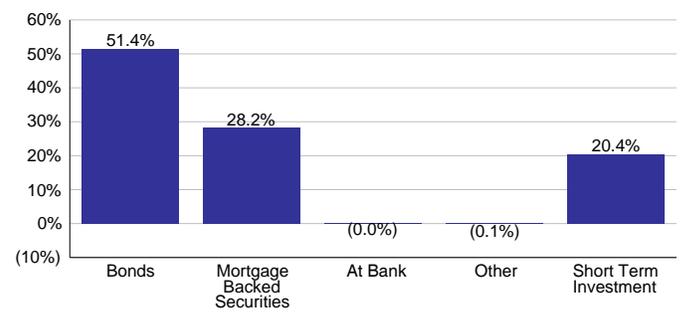
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
60699D234	TRI-PARTY REPO MIZUHO .09% 1/NOV/2013	8.38%	0.09	1/11/2013
46999W014	TRI-PARTY REPO JP MORGAN 0.25% 1/NOV/2013	5.62%	0.25	1/11/2013
3135G0WB5	FEDERAL NATIONAL MORTGAGE ASSOC 1.2% BDS	4.95%	1.20	18/4/2018
3133813R4	FEDERAL HOME LOAN BANKS 1% BDS 09/NOV/2017	3.26%	1.00	9/11/2017
3133EAJF6	FEDERAL FARM CR BKS CONS BD FLT 15 22/SEP/2015	3.03%	0.00	22/9/2015
3137AUBR9	FREDDIE MAC 4111 AG 1.750% 15/AUG/2039	2.68%	1.75	15/8/2039
3132GSCE7	FHLMCGLD MORTPASS 3.5% 01/MAR/2042 Q0 PN# Q06969	2.24%	3.50	1/3/2042
3133ECAW4	FEDERAL FARM CREDIT BANKS VAR BDS 24/FEB/2016	2.02%	0.00	24/2/2016
3133EA5D6	FEDERAL FARM CREDIT BANKS VAR MTG BDS 23/APR/2015	2.02%	0.00	23/4/2015
3133ECE34	FEDERAL FARM CR BKS CONS BD FLT 18 30/JAN/2018	2.02%	0.00	30/1/2018

Quality/Rating Weightings



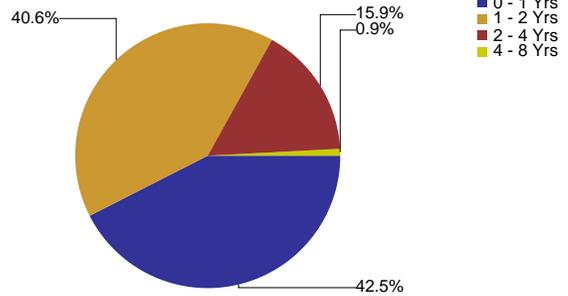
Sector Weightings (as % of Market Value)



Portfolio Characteristics

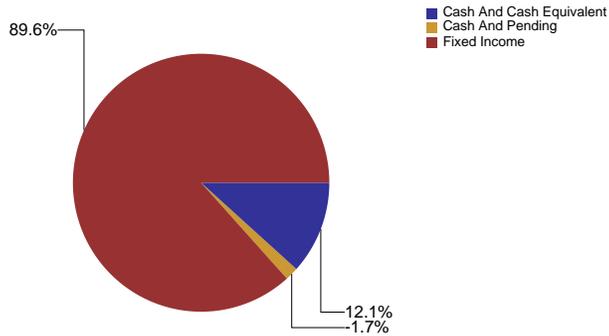
Duration Mix

Total Net Assets (Millions) **300.7**
 Weighted Average Life (Years) **1.29**
 Weighted Avg. Effective Duration (Years) **1.30**
 (% Weighted Average Rating) **AA**
 Number of Holdings **71**



Asset Mix

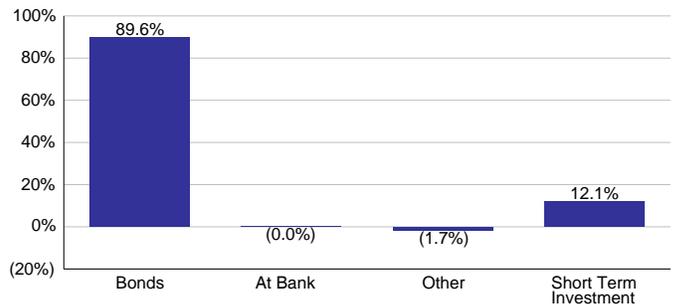
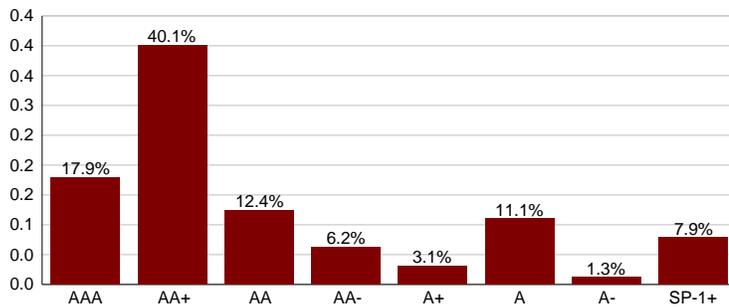
Top Ten Portfolio Holdings



Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
57600BF9	MASSACHUSETTS ST SCH BLDG AUTH DEDICATED SALES TAX	12.51%	5.00	15/8/2023
001996859	INVESCO TAX FREE CASH RESERVE PORTFOLIO INST.	11.87%	0.00	31/12/2099
57600NS8	MASSACHUSETTS ST SCH BLDG AUTH DEDICATED SALES TAX	3.57%	5.00	15/8/2030
677520Q68	OHIO ST FOR ISSUES DTD PRIOR TO 3/25/05 SEE 677519	3.55%	5.00	1/8/2016
64966KEE9	NEW YORK N Y FOR PRIOR ISSUES DTD PRIOR TO	3.39%	4.00	1/8/2014
882723CX5	TEXAS ST FOR ISSUES DATED PRIOR TO 12/19/12 SEE	3.33%	2.00	28/8/2014
040654PW9	ARIZONA ST TRANS BRD HWY REV 01/JUL/2024 05.000	3.32%	5.00	1/7/2024
677521E77	OHIO STATE RFDG-COMMON SCHS-SER A 15/SEP/2016	2.69%	5.00	15/9/2016
373384XV3	GEORGIA ST SER H 01/NOV/2014 04.000	2.68%	4.00	1/11/2014
625517DL8	MULTNOMAH CNTY ORE SCH DIST NO 1J PORTLAND SER A	2.51%	5.00	15/6/2015

Quality/Rating Weightings

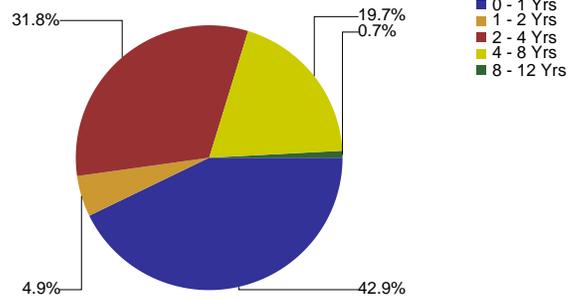
Sector Weightings (as % of Market Value)



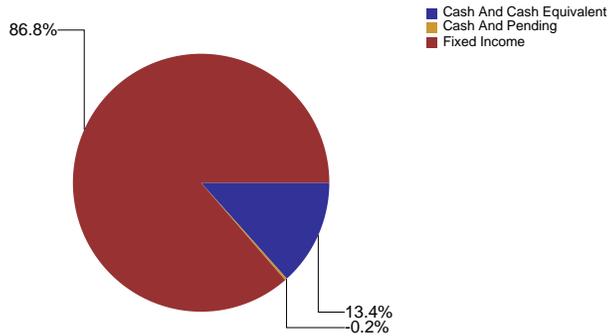
Portfolio Characteristics

Total Net Assets (Millions) **290.3**
 Weighted Average Life (Years) **2.68**
 Weighted Avg. Effective Duration (Years) **2.23**
 Weighted Average Rating **AA**
 Number of Holdings **108**

Duration Mix



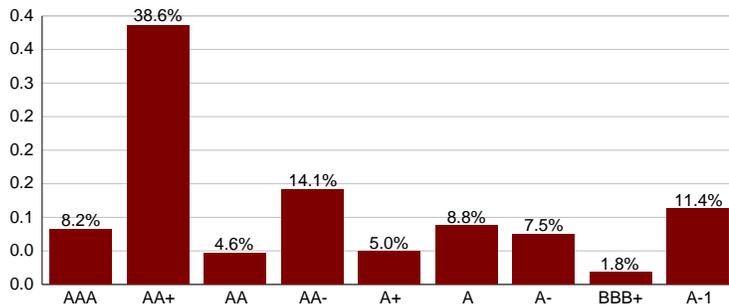
Asset Mix



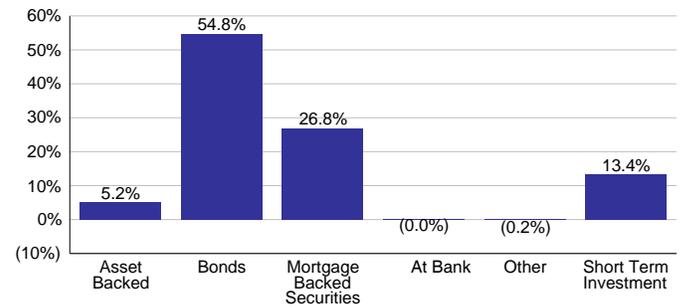
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3136AEFZ5	FANNIE MAE 2013-53 JL 3.000% 25/JUN/2043	2.94%	3.00	25/6/2043
191216AN0	COCA-COLA CO 0.75% SNR NTS 15/NOV/2013 USD1000	2.76%	0.75	15/11/2013
3136A9LG1	FANNIE MAE 2012-114 GB 1.750% 25/MAR/2040	2.22%	1.75	25/3/2040
92646KYJ5	VICTORY RECEIVABLES CORPORATE COMMERCIAL PAPER	2.07%	0.00	18/11/2013
3136FTR68	FEDERAL NATL MTG ASSN CALL 1.65%28/FEB/2019	1.82%	1.65	28/2/2019
92343VAY0	VERIZON COMMUNICATIONS INC 3% BDS 01/APR/2016	1.80%	3.00	1/4/2016
78008TXB5	ROYAL BANK OF CANADA FRN 30/OCT/2014 USD1000	1.73%	0.00	30/10/2014
38141GVK7	GOLDMAN SACHS GROUP INC SR FLT NT 18 30/APR/2018	1.73%	0.00	30/4/2018
94974BFK1	WELLS FARGO & CO. MEDIUM TERM NOTE VARIABLE DTD	1.72%	0.00	23/4/2018
717081DD2	PFIZER INC 0.9% NTS 15/JAN/2017 USD1000	1.72%	0.90	15/1/2017

Quality/Rating Weightings



Sector Weightings (as % of Market Value)

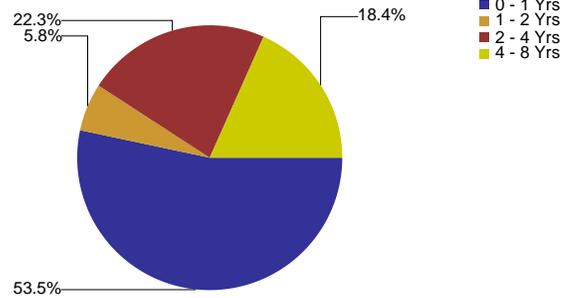


Portfolio Characteristics

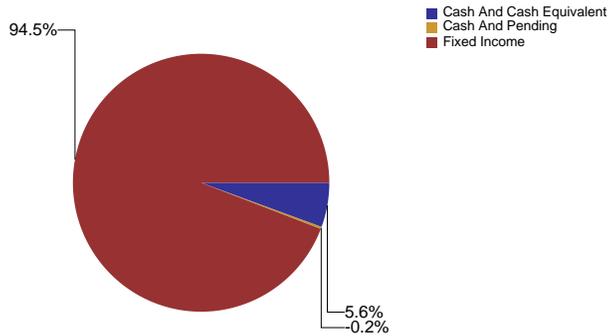
Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

12.0
2.90
1.70
AA+
21

Duration Mix



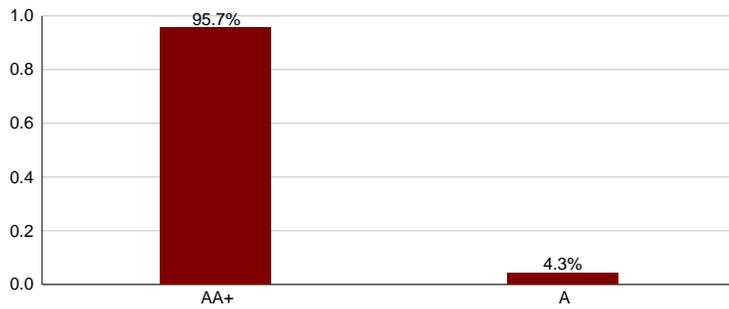
Asset Mix



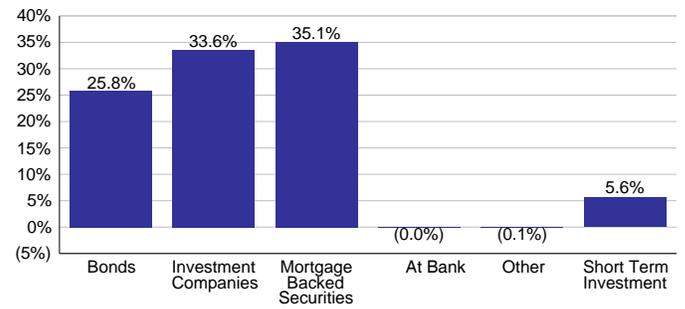
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539998153	LOCAL GOV INVS POOL 4	21.69%	0.00	1/11/2013
3136AD2H1	FANNIE MAE 2013-43 XP 1.500% 25/AUG/2041	15.21%	1.50	25/8/2041
A41995373	LOCAL GOV INVS POOL 700	11.86%	0.00	1/11/2013
3133EAX29	FEDERAL FARM CREDIT BANK CALLABLE BOND FIXED .98%	8.27%	0.98	18/9/2017
3136FTN70	FEDERAL NATL MTG ASSN CALL 3%28/NOV/2025	5.81%	3.00	28/11/2025
3137A7HC7	FREDDIE MAC 3800 KE 3.500% 15/FEB/2026	4.42%	3.50	15/2/2026
10138MAH8	BOTTLING GROUP 6.95% SNR NTS 15/MAR/2014 USD1000	4.30%	6.95	15/3/2014
3134G24S8	FEDERAL HOME LN MTG CORP CALL 2.25%14/NOV/2018	4.21%	2.25	14/11/2018
G349937R3	FIDELITY INVESTMENTS - MONEY MARKET PORTFOLIO	4.18%	0.00	1/11/2013
3138ASYU0	FNMA MORTPASS 3% 01/OCT/2026 CI PN# AJ1622	3.47%	3.00	1/10/2026

Quality/Rating Weightings



Sector Weightings (as % of Market Value)

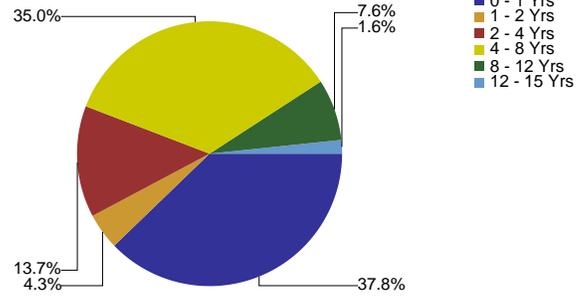


Portfolio Characteristics

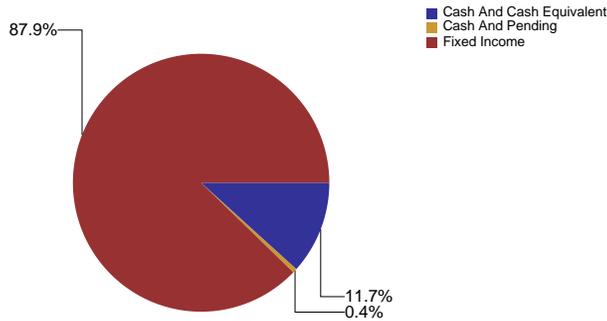
Total Net Assets (Millions)
Weighted Average Life (Years)
Weighted Avg. Effective Duration (Years)
Weighted Average Rating
Number of Holdings

328.6
4.15
3.56
AA
94

Duration Mix



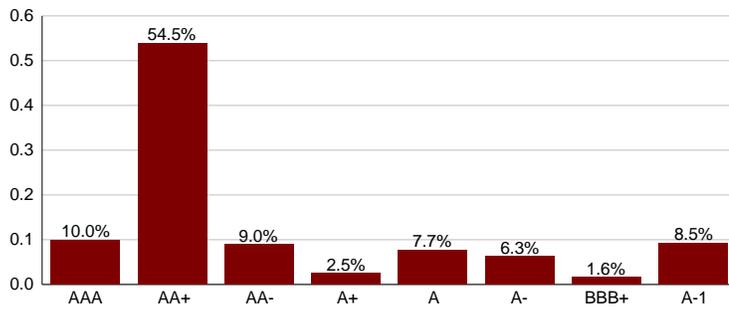
Asset Mix



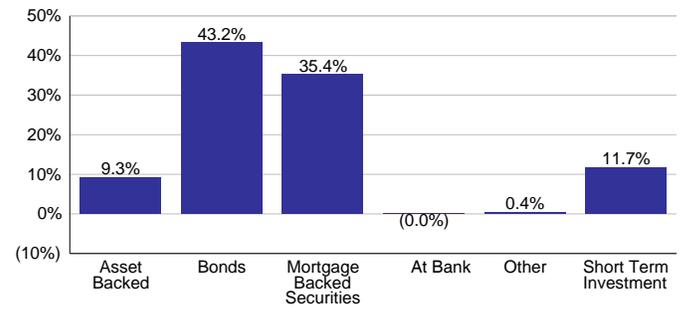
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
3137ATR20	FREDDIE MAC 4097 VH 1.500% 15/OCT/2041	3.67%	1.50	15/10/2041
3128HXW76	FHLMC GOLD MORTPASS 3.00% 15/AUG/2042 POOL#S06070	2.95%	3.00	15/8/2042
3134G35R7	FEDERAL HOME LOAN MORTGAGE CORP 2.25% NTS	2.37%	2.25	13/3/2020
65599D861	TRIPARTY REPO NOMURA 0.12% 11/1/2013	2.27%	0.12	1/11/2013
63534PAH0	NATIONAL CITY BANK(CLEVELAND) FLTG RATE NTS	2.11%	0.00	7/6/2017
31398NY24	FANNIE MAE 2010-123B PM 4.000% 25/JUL/2040	1.95%	4.00	25/7/2040
3137AL2X6	FREDDIE MAC 3990 BH 3.500% 15/JAN/2032	1.63%	3.50	15/1/2032
31398T7A3	FANNIE MAE 2010-113 LV 4.000% 25/JUN/2030	1.63%	4.00	25/6/2030
46625YXT5	JP MORGAN CHASE COMMERCIAL MORTGAGE SECURITIES	1.59%	0.00	15/12/2044
3137GAWS2	FREDDIE MAC 3738 BJ 3.500% 15/DEC/2038	1.59%	3.50	15/12/2038

Quality/Rating Weightings



Sector Weightings (as % of Market Value)



OPERATING MONIES
AVERAGE INVESTED BALANCE

Through October 31, 2013

(in millions of dollars)

<u>Month</u>	<u>Fiscal Year</u> <u>2011/2012</u>	<u>Fiscal Year</u> <u>2012/2013</u>	<u>Fiscal Year</u> <u>2013/2014</u>
JULY	1,209	1,817	1,942
AUGUST	818	1,475	1,709
SEPTEMBER	744	1,420	1,974
OCTOBER	668	1,205	1,824
NOVEMBER	858	1,316	
DECEMBER	979	1,464	
JANUARY	1,511	1,885	
FEBRUARY	1,501	1,899	
MARCH	1,373	1,815	
APRIL	1,725	2,109	
MAY	2,036	2,428	
JUNE	2,331	2,679	
Y-T-D			
Average	\$1,313	\$1,793	\$1,862
Budget Stabilization Average Fund Balance - October 2013			<u>\$454</u>
Total Average Cash Available - October 2013			<u>\$2,278</u>

**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
OCTOBER 2013**

Distributed in Current Month

Recipient	OCTOBER 2013	Fiscal YTD 13/14	Fiscal YTD 12/13
101 A & M Colleges	\$17,813	\$71,251	\$55,693
102 State Hospital	\$10,553	\$42,213	\$32,427
103 Leg., Exec., & Jud.	\$14,367	\$57,467	\$47,365
104 Military Institute	\$1,003	\$4,014	\$3,439
105 Miners Hospital	\$27,751	\$111,005	\$82,943
107 Normal School ASU/NAU	\$6,218	\$24,873	\$20,270
108 Penitentiaries	\$20,501	\$82,004	\$91,467
109 Permanent Common School	\$5,648,484	\$22,593,936	\$17,825,150
110 School for Deaf & Blind	\$8,889	\$35,556	\$29,510
111 School of Mines	\$20,138	\$80,551	\$64,848
112 State Charitable-Pioneers Home	\$98,076	\$392,306	\$287,460
112 State Charitable-Corrections	\$49,038	\$196,153	\$143,730
112 State Charitable-Youth Treatment	\$49,038	\$196,153	\$143,730
113 University Fund	\$33,169	\$132,678	\$105,762
114 U of A Land - 1881	\$81,012	\$324,050	\$232,212
Total	\$6,086,052	\$24,344,208	\$19,166,007

Posted in USAS in current month

**ENDOWMENT FUNDS
 PORTFOLIO YIELD ANALYSIS
 OCTOBER 31, 2013**

NET EARNINGS

FUND	DESCRIPTION	Current Month 10/31/13	Prior Month 09/30/13	Prior Year 10/31/12
205	ENDOWMENTS - FIXED INCOME	\$3,086,035	\$3,075,861	\$5,337,113

YIELDS

<u>MONTHLY</u>		Current Month 10/31/13	Prior Month 09/30/13	Prior Year 10/31/12
205	ENDOWMENTS - FIXED INCOME	2.42%	2.42%	4.28%

Note: Yield calculation changed from share value to market value. Prior month and prior year shown was also adjusted for comparison purposes.

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Oct-13 NET GAIN(LOSS)	Oct-12 NET GAIN(LOSS)
----- Fixed Income Pool	(192,591)	1,011,257
Equity Pool (500)	38,788,250	(817,454)
Equity Pool (400)	25,431,704	2,374,897
Equity Pool (600)	4,733,383	1,304,136
Totals	68,760,746	3,872,836
	=====	=====

Endowment Fund	2013/2014 FISCAL YEAR TO DATE GAINS(LOSSES)	2012/ 2013 FISCAL YEAR TO DATE GAINS(LOSSES)
----- Fixed Income Pool	(1,010,074)	1,222,392
Equity Pool (500)	38,822,320	1,818,385
Equity Pool (400)	36,386,941	5,959,169
Equity Pool (600)	8,990,024	1,857,524
Totals	83,189,211	10,857,470
	=====	=====

ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
 Month of October 2013

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I. Endowment Funds Purchases

<u>SECURITY DESCRIPTION</u>	<u>RATE</u>	<u>MATURITY</u>	<u>*WAL YEARS</u>	<u>PAR VALUE</u>	<u>PURCHASE COST</u>	<u>YIELD</u>	<u>MOODY'S / S&P RATING</u>
US TREAS	0.63	10/15/2016	N/A	\$5,000,000	\$5,008,210	0.58%	Aaa/AA+

TOTAL ENDOWMENT FUNDS PURCHASES	\$5,000,000	\$5,008,210
--	--------------------	--------------------

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>
US TREAS	4.25	11/15/2013	\$10,000,000	\$10,210,292	\$24,443	Aaa/AA+

TOTAL ENDOWMENT FUNDS SALES	\$10,000,000	\$10,210,292	\$24,443
------------------------------------	---------------------	---------------------	-----------------

*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 October 2013

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I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	90,748	\$5,505,449	\$123
S&P 500 Large-Cap Fund	49,700	\$3,186,274	\$373
S&P 600 Small-Cap Fund	205,691	\$3,934,479	\$1,127
TOTAL EQUITY PURCHASES	346,139	\$12,626,202	\$1,623

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
S&P 400 Mid-Cap Fund	1,710,147	\$89,311,515	\$12,411
S&P 500 Large-Cap Fund	2,079,769	\$156,657,603	\$15,599
S&P 600 Small-Cap Fund	211,950	\$18,053,022	\$1,022
TOTAL EQUITY SALES	4,001,866	\$264,022,139	\$29,032

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
OCTOBER 31, 2013
(In Thousands)

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FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	Mkt Value/ Book Value
101	A & M Colleges					
	<i>Shares in Equity Pools</i>	543	3,756	7,393	3,636	
	<i>Shares in Fixed Income Pools</i>	3,901	2,447	3,923	1,476	
	Total	4,444	6,203	11,316	5,112	1.824
102	State Hospital					
	<i>Shares in Equity Pools</i>	351	2,456	4,783	2,327	
	<i>Shares in Fixed Income Pools</i>	2,405	1,604	2,418	814	
	Total	2,756	4,061	7,201	3,140	1.773
103	Leg., Exec. & Jud					
	<i>Shares in Equity Pools</i>	441	3,293	6,001	2,708	
	<i>Shares in Fixed Income Pools</i>	3,392	2,156	3,411	1,255	
	Total	3,833	5,449	9,412	3,963	1.727
104	Military Institute					
	<i>Shares in Equity Pools</i>	29	212	396	184	
	<i>Shares in Fixed Income Pools</i>	230	138	231	93	
	Total	259	349	626	277	1.793
105	Miners Hospital					
	<i>Shares in Equity Pools</i>	1,103	8,920	15,017	6,097	
	<i>Shares in Fixed Income Pools</i>	7,615	5,910	7,659	1,748	
	Total	8,719	14,830	22,675	7,845	1.529
107	Normal School ASU/NAU					
	<i>Shares in Equity Pools</i>	208	1,552	2,835	1,284	
	<i>Shares in Fixed Income Pools</i>	1,510	1,017	1,519	502	
	Total	1,719	2,568	4,354	1,786	1.695
108	Penitentiaries					
	<i>Shares in Equity Pools</i>	808	6,477	10,991	4,514	
	<i>Shares in Fixed Income Pools</i>	5,813	4,297	5,846	1,549	
	Total	6,621	10,774	16,837	6,063	1.563

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
OCTOBER 31, 2013
(In Thousands)

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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>	200,161	1,553,555	2,724,234	1,170,679	
<i>Shares in Fixed Income Pools</i>	1,417,642	1,039,512	1,425,685	386,173	
Total	1,617,803	2,593,066	4,149,919	1,556,852	1.600
110 School for Deaf & Blind					
<i>Shares in Equity Pools</i>	283	2,053	3,846	1,793	
<i>Shares in Fixed Income Pools</i>	2,105	1,346	2,117	771	
Total	2,388	3,399	5,963	2,564	1.754
111 School of Mines					
<i>Shares in Equity Pools</i>	610	4,513	8,297	3,784	
<i>Shares in Fixed Income Pools</i>	4,504	2,981	4,530	1,549	
Total	5,114	7,494	12,827	5,333	1.712
112 State Charitable					
<i>Shares in Equity Pools</i>	6,178	46,259	84,085	37,826	
<i>Shares in Fixed Income Pools</i>	42,986	30,978	43,229	12,251	
Total	49,164	77,237	127,314	50,077	1.648
113 University Fund					
<i>Shares in Equity Pools</i>	1,050	7,886	14,286	6,400	
<i>Shares in Fixed Income Pools</i>	7,758	5,191	7,802	2,611	
Total	8,808	13,077	22,088	9,011	1.689
114 U Of A Land - 1881					
<i>Shares in Equity Pools</i>	3,128	24,958	42,571	17,613	
<i>Shares in Fixed Income Pools</i>	22,690	16,649	22,818	6,169	
Total	25,818	41,607	65,389	23,782	1.572
TOTALS - ALL FUNDS					
<i>Shares in Equity Pools</i>	214,892	1,665,888	2,924,733	1,258,845	
<i>Shares in Fixed Income Pools</i>	1,522,550	1,114,227	1,531,189	416,961	
Grand Total	1,737,443	2,780,115	4,455,921	1,675,806	
PRIOR YEAR:					
OCTOBER 2012 BALANCES	1,682,726	2,650,335	3,669,731	1,019,396	

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
OCTOBER 31, 2013**

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ASSET ALLOCATION PERCENTAGE

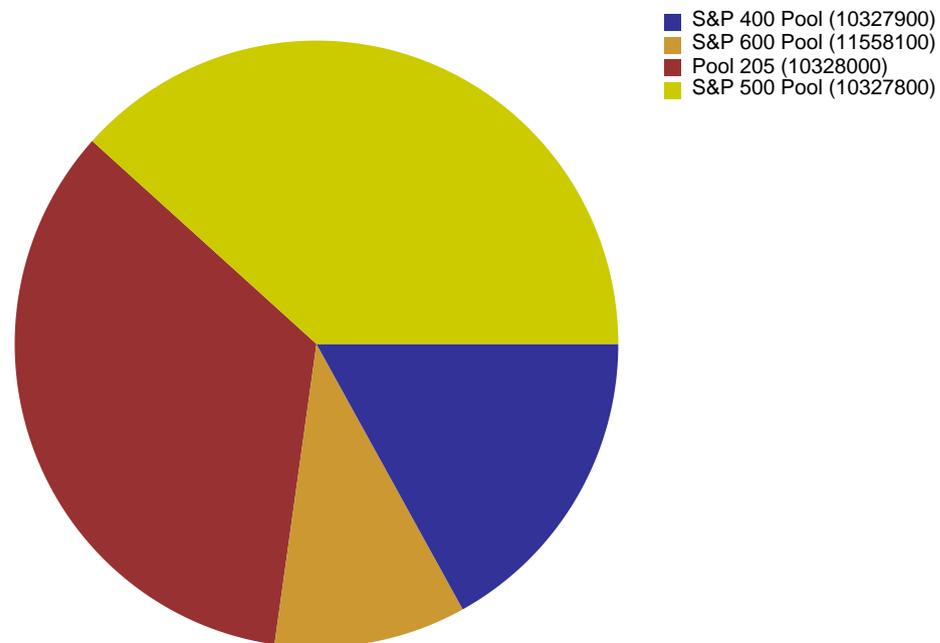
	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	OCTOBER 2012 MARKET VALUE
<i>Shares in Equity Pools</i>	12.37%	59.92%	65.64%	59.20%
<i>Shares in Fixed Income Pools</i>	87.63%	40.08%	34.36%	40.80%
	-----	-----	-----	-----
Total	100.00%	100.00%	100.00%	100.00%
	=====	=====	=====	=====

Performance Worksheet
Arizona State Treasury (05509)
As of October 2013
 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	1,640,213,014.73	1,713,778,130.48	-1,695,944	4.59	4.75	25.27	10.09	27.14	16.53	15.20	3.02	07/01/1999
10327900	S&P 400 Pool	728,298,215.80	754,621,419.12	-726,833	3.71	5.05	27.83	11.58	33.51	17.65	18.75	9.28	08/01/2001
10328000	Pool 205	1,523,099,709.96	1,531,188,569.33	-1,938,222	0.66	0.86	(1.09)	1.11	(0.98)	2.46	5.31	5.48	07/01/1999
11558100	S&P 600 Pool	440,954,907.62	456,333,288.64	-484,556	3.60	7.37	33.36	14.71	39.14			16.36	03/01/2011
00550902	Total Endowment Fund Composite	4,332,565,848.11	4,455,921,407.57	-4,845,555	2.96	3.68	15.78	7.49	17.65	11.02	11.58	6.08	07/01/1999

Manager Allocation - Daily Arizona State Treasury (05509) As of October 31, 2013

Total Endowment Fund Composite (00550902)		
Account Name	Market Value(MIL)	Percent of Portfolio
Pool 205 (10328000)	1,531.19	34.4%
S&P 400 Pool (10327900)	754.62	16.9%
S&P 500 Pool (10327800)	1,713.78	38.5%
S&P 600 Pool (11558100)	456.33	10.2%
TOTAL	4,455.92	100.0%



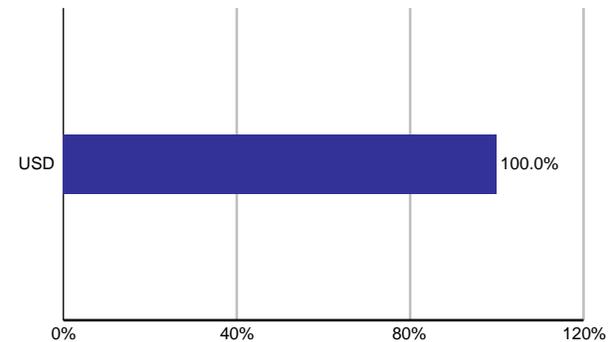
Portfolio Characteristics

Total Asset Value (in Millions)	1,713.8	Trailing 1 Year	0.02	Trailing 3 Years	0.04	Trailing 5 Years	0.11	Since Inception	1.60
P/E Ratio	18.00	Tracking Error	(1.20)	Information Ratio	(0.78)	Std Deviation of Port.	16.20	Std Deviation of Bench.	15.76
Price to Book Ratio	2.35	Std Deviation of Port.	8.71	Sharpe Ratio of Port.	12.45	Sharpe Ratio of Bench.	16.25	R-Squared	0.95
Dividend Yield (%)	2.02	Sharpe Ratio of Port.	8.71	Sharpe Ratio of Bench.	12.47	R-Squared	0.95	Jensen's Alpha	0.16
Return on Equity (%)	19.58	Sharpe Ratio of Bench.	2.81	R-Squared	1.29	Jensen's Alpha	0.08		(0.37)
Sales Growth (%)	7.39	R-Squared	2.82		1.00				(0.37)
Market Capitalization (\$ Millions)	112,393.96	Jensen's Alpha	1.00		1.00				(0.37)
Earnings per Share (\$)	5.59		(0.02)		(0.01)				(0.37)
Number of Holdings	502								(0.37)

Top Ten Portfolio Holdings

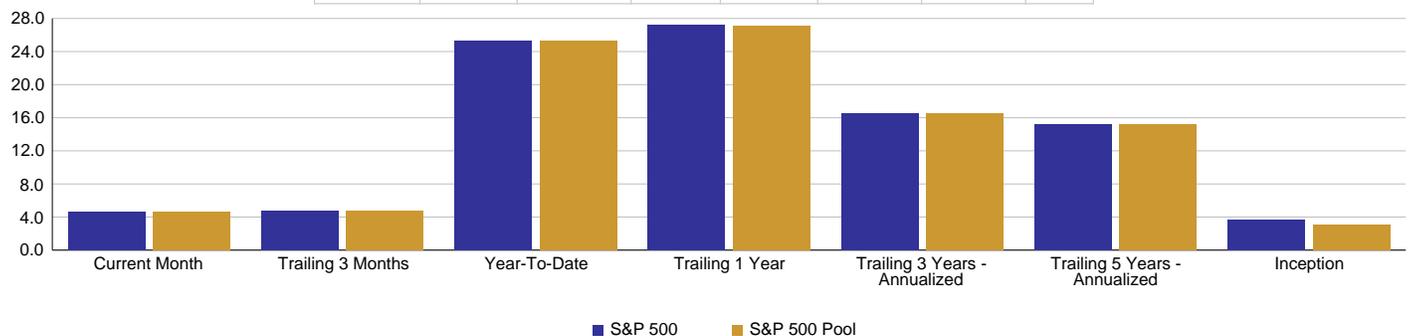
Security ID	Security Name	% of Assets
037833100	APPLE INC - COM NPV	3.00%
30231G102	EXXON MOBIL CORP - COM NPV	2.50%
38259P508	GOOGLE INC - CL A COM USD.001	1.82%
594918104	MICROSOFT CORP - COM USD.00000625	1.70%
369604103	GENERAL ELECTRIC CO - COM USD.63	1.69%
478160104	JOHNSON & JOHNSON - COM USD1	1.65%
166764100	CHEVRON CORP - COM USD3	1.47%
742718109	PROCTER & GAMBLE CO - COM NPV	1.41%
084670702	BERKSHIRE HATHAWAY - CL B COM USD.0033	1.31%
949746101	WELLS FARGO & CO - COM USD1.67	1.31%

Top Ten Currency Weights

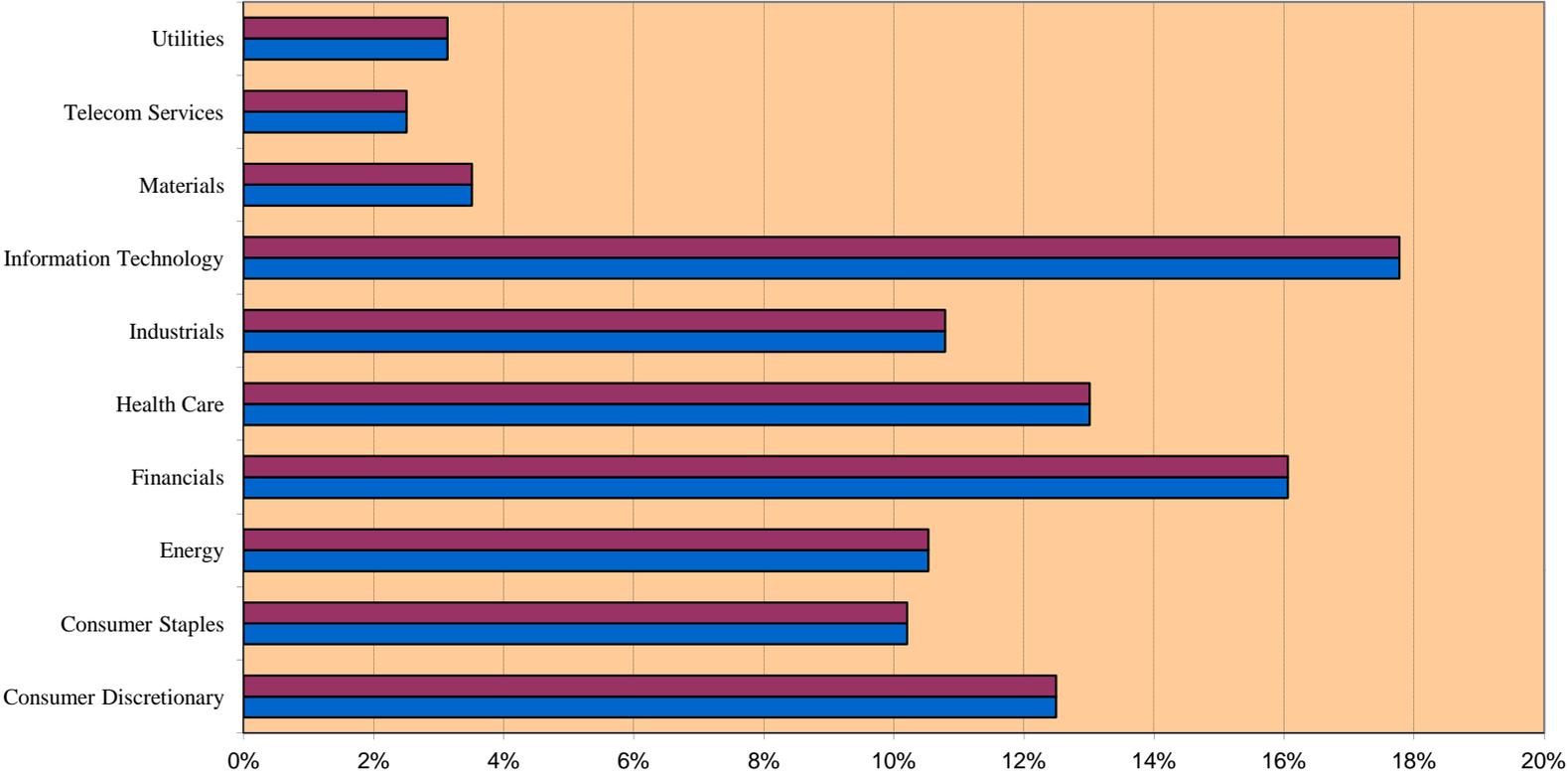


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 500 Pool	4.59	4.75	25.27	27.14	16.53	15.20	3.02
S&P 500	4.60	4.75	25.30	27.18	16.56	15.17	3.65
Excess	(0.01)	(0.00)	(0.03)	(0.03)	(0.03)	0.03	(0.63)



**STATE OF ARIZONA
POOL 201 (S&P 500)
As of October 31, 2013**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 500 Index	12.49%	10.20%	10.53%	16.06%	13.01%	10.79%	17.77%	3.51%	2.51%	3.13%
■ STATE OF ARIZONA - POOL 201	12.49%	10.20%	10.53%	16.06%	13.01%	10.79%	17.77%	3.51%	2.51%	3.13%



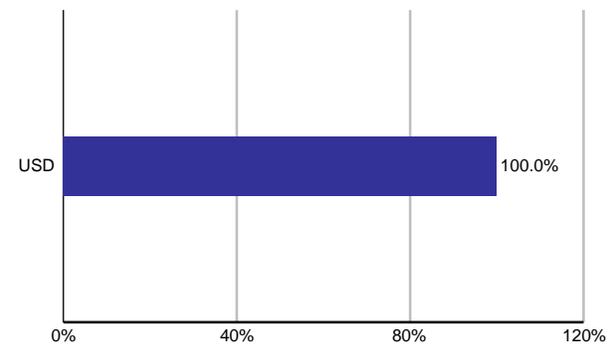
Portfolio Characteristics

Total Asset Value (in Millions)	754.6	Trailing 1 Year	0.06	Trailing 3 Years	0.06	Trailing 5 Years	1.67	Since Inception	1.94
P/E Ratio	24.90	Tracking Error	0.43	Information Ratio	1.42	Std Deviation of Port.	18.29	Std Deviation of Port.	17.11
Price to Book Ratio	2.39	Std Deviation of Bench.	11.15	Sharpe Ratio of Port.	1.12	Sharpe Ratio of Bench.	1.03	R-Squared	0.99
Dividend Yield (%)	1.39	Sharpe Ratio of Bench.	2.66	R-Squared	1.00	Jensen's Alpha	0.13		0.39
Return on Equity (%)	14.64								
Sales Growth (%)	6.44								
Market Capitalization (\$ Millions)	4,862.75								
Earnings per Share (\$)	2.61								
Number of Holdings	401								

Top Ten Portfolio Holdings

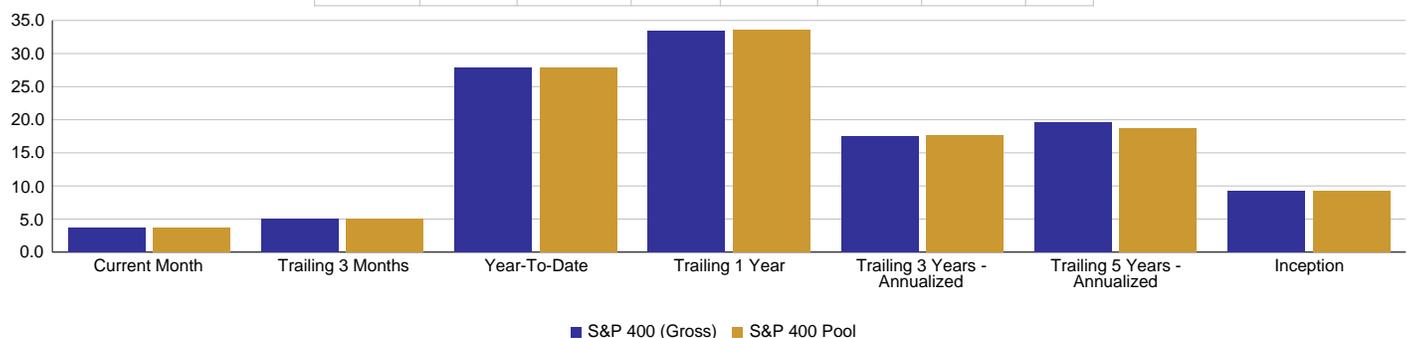
Security ID	Security Name	% of Assets
78467Y107	SPDR S&P MIDCAP 400 ETF TRUST	0.87%
018581108	ALLIANCE DATA SYSTEMS CORP - COM USD.01	0.78%
008252108	AFFILIATED MANAGERS GRP INC - COM USD.01	0.70%
892356106	TRACTOR SUPPLY CO - COM USD.008	0.67%
501889208	LKQ CORP - COM	0.67%
806407102	SCHEIN (HENRY) INC - COM USD.01	0.65%
675232102	OCEANEERING INTERNATIONAL - COM USD.25	0.62%
436106108	HOLLYFRONTIER CORP - COM USD.01	0.62%
171798101	CIMAREX ENERGY CO - COM USD.01	0.61%
171340102	CHURCH & DWIGHT INC - COM NPV	0.61%

Top Ten Currency Weights

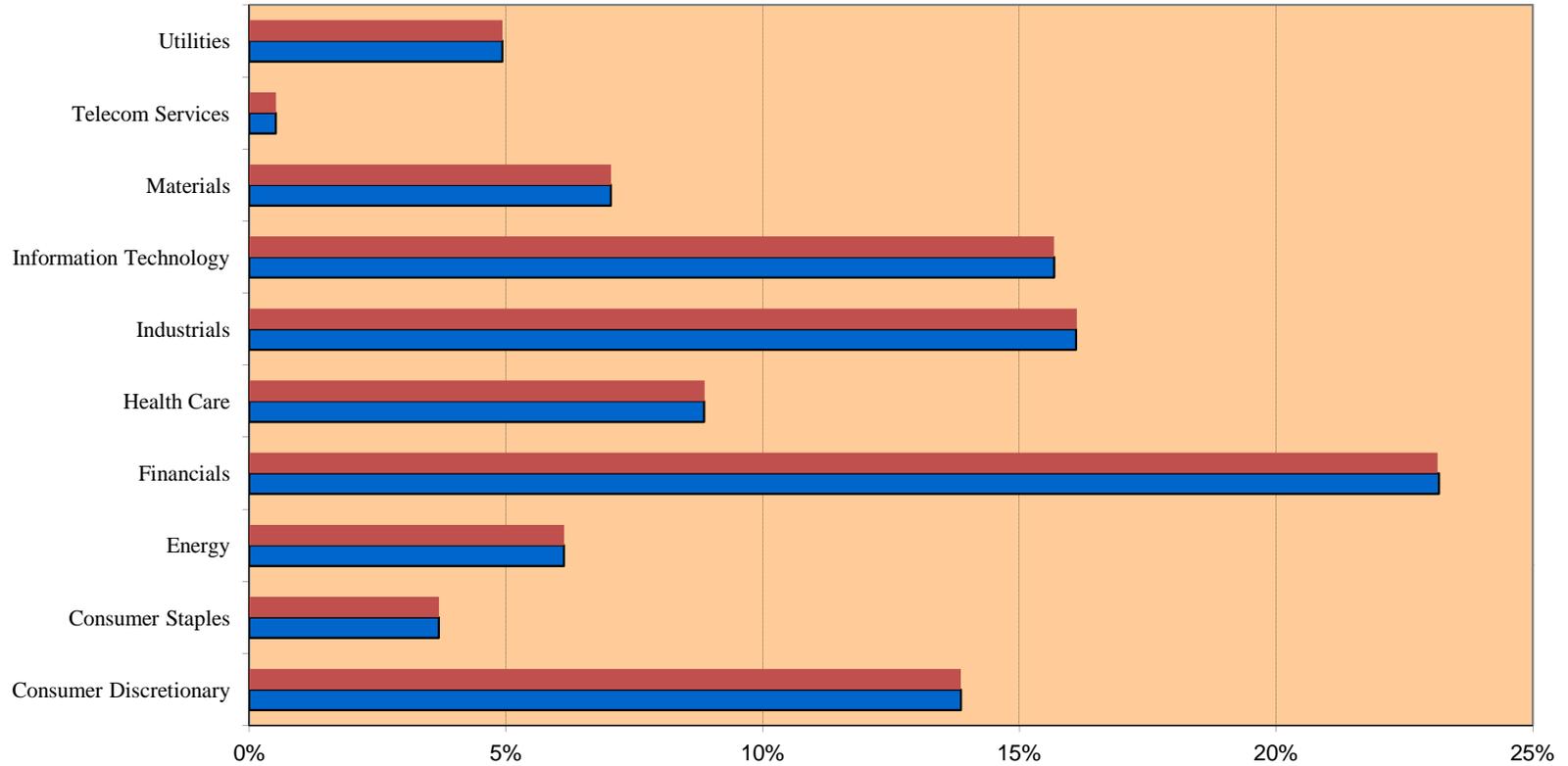


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 400 Pool	3.71	5.05	27.83	33.51	17.65	18.75	9.28
S&P 400 (Gross)	3.72	5.03	27.81	33.48	17.55	19.63	9.29
Excess	(0.00)	0.02	0.02	0.03	0.10	(0.88)	(0.01)



**STATE OF ARIZONA
POOL 203 (S&P MIDCAP 400)
As of October 31, 2013**



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P MIDCAP 400	13.86%	3.70%	6.13%	23.15%	8.87%	16.12%	15.67%	7.05%	0.52%	4.93%
■ STATE OF ARIZONA - POOL 203	13.86%	3.70%	6.13%	23.18%	8.86%	16.11%	15.68%	7.04%	0.52%	4.93%



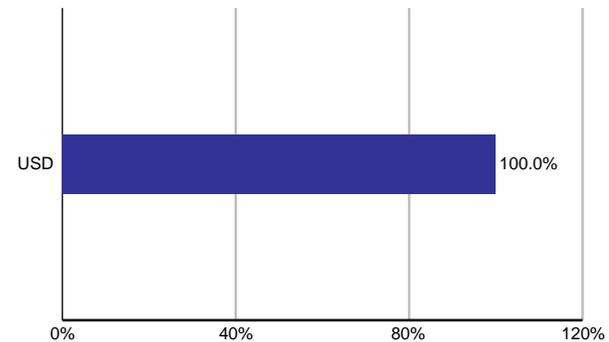
Portfolio Characteristics

Total Asset Value (in Millions)	456.3	Trailing 1 Year	0.06	Trailing 3 Years	-	Trailing 5 Years	-	Since Inception	0.09
P/E Ratio	28.04	Information Ratio	0.67		-		-		(0.07)
Price to Book Ratio	2.21	Std Deviation of Port.	10.05		-		-		16.30
Dividend Yield (%)	1.09	Std Deviation of Bench.	10.07		-		-		16.33
Return on Equity (%)	16.86	Sharpe Ratio of Port.	3.37		-		-		1.01
Sales Growth (%)	7.54	Sharpe Ratio of Bench.	3.36		-		-		1.01
Market Capitalization (\$ Millions)	1,643.09	R-Squared	1.00		-		-		1.00
Earnings per Share (\$)	1.54	Jensen's Alpha	0.15		-		-		0.03
Number of Holdings	603								

Top Ten Portfolio Holdings

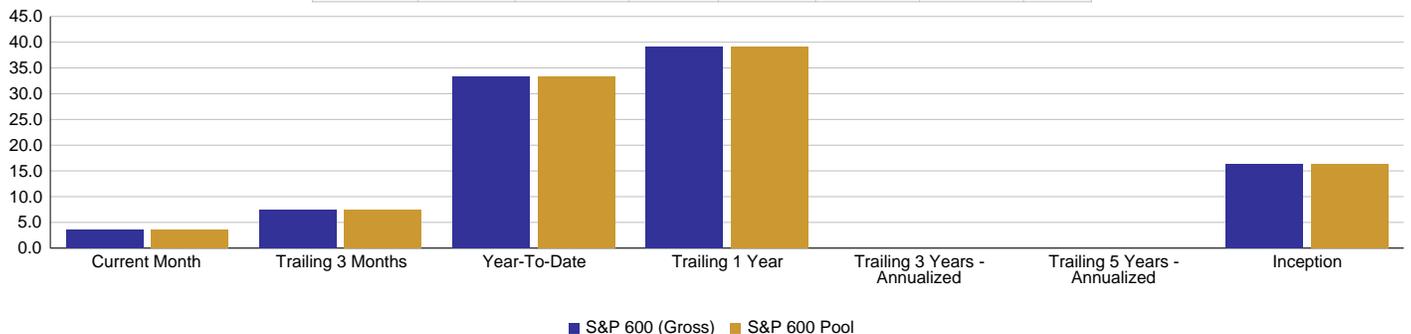
Security ID	Security Name	% of Assets
464287804	ISHARES TRUST CORE S&P SMALL-CAP ETF	4.53%
117043109	BRUNSWICK CORP - COM USD.75	0.59%
831865209	SMITH (A O) CORP - COM USD1	0.58%
016255101	ALIGN TECHNOLOGY INC - COM USD.001	0.58%
405217100	HAIN CELESTIAL GROUP INC - COM USD.01	0.57%
30241L109	FEI CO - COM NPV	0.53%
74835Y101	QUESTCOR PHARMACEUTICALS INC - COM NPV	0.49%
955306105	WEST PHARMACEUTICAL SVSC INC - COM USD.25	0.49%
891092108	TORO CO - COM USD1	0.48%
879360105	TELEDYNE TECHNOLOGIES INC - COM USD.01	0.48%

Top Ten Currency Weights

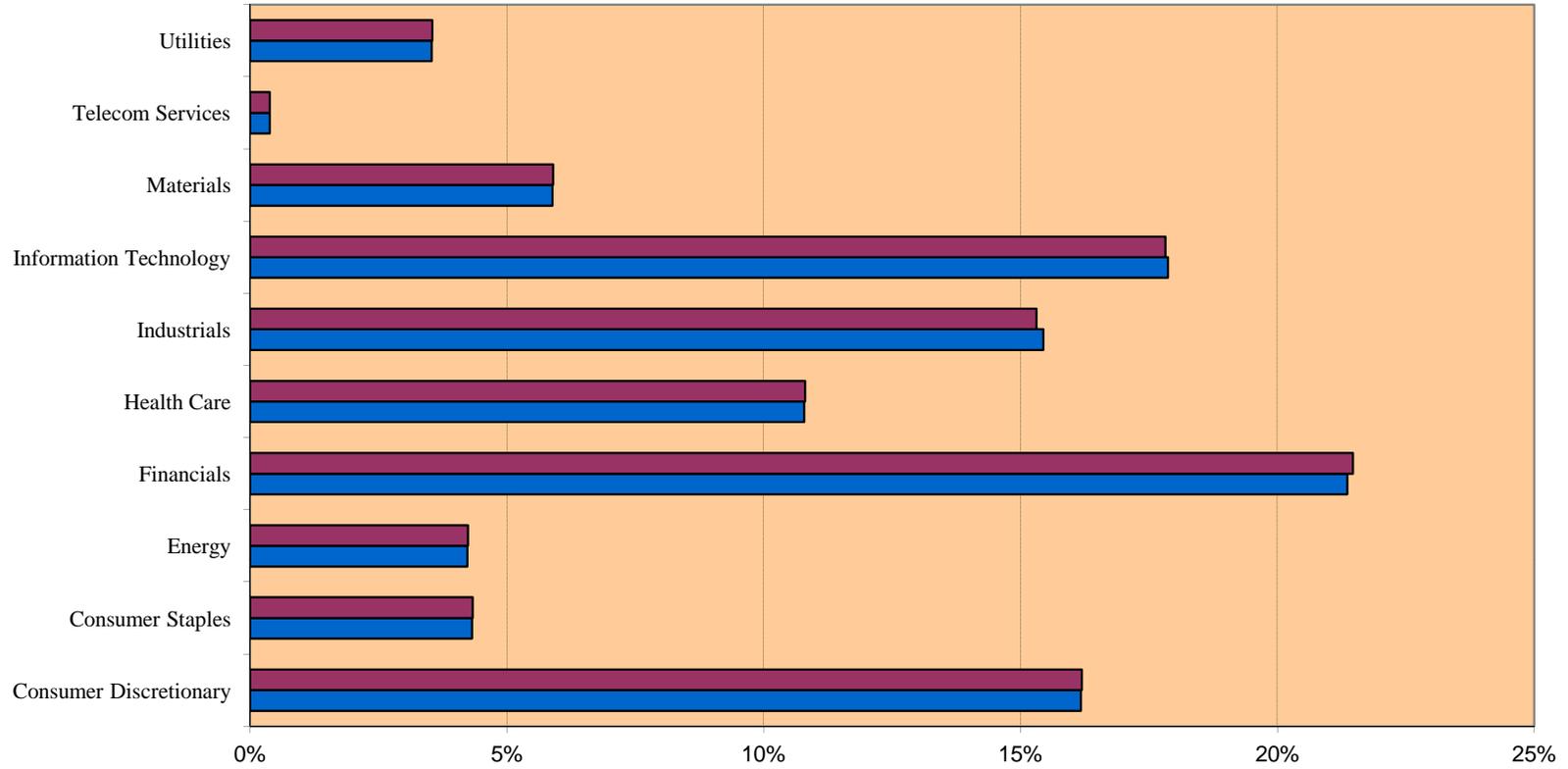


Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
S&P 600 Pool	3.60	7.37	33.36	39.14			16.36
S&P 600 (Gross)	3.61	7.38	33.30	39.08			16.36
Excess	(0.01)	(0.01)	0.06	0.06	(0.00)	(0.00)	(0.00)



**STATE OF ARIZONA
POOL 204 (S&P 600 Index)
As of October 31, 2013**



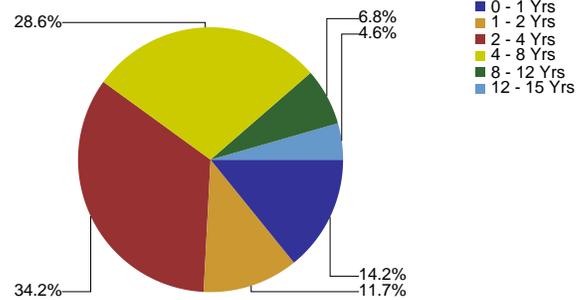
	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecom Services	Utilities
■ S&P 600 Index	16.19%	4.33%	4.24%	21.47%	10.81%	15.31%	17.82%	5.90%	0.39%	3.55%
■ STATE OF ARIZONA - POOL 204	16.18%	4.32%	4.23%	21.36%	10.79%	15.44%	17.87%	5.89%	0.39%	3.54%



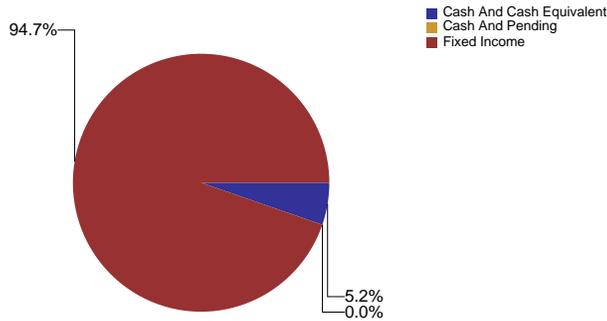
Portfolio Characteristics

Total Net Assets (Millions)	1,531.2
Weighted Average Life (Years)	5.37
Weighted Avg. Effective Duration (Years)	4.11
Weighted Average Coupon (%)	3.54
Weighted Average Current Yield (%)	1.52
Weighted Average Yield to Maturity (%)	1.52
Weighted Average Rating	AA
Number of Holdings	281

Duration Mix



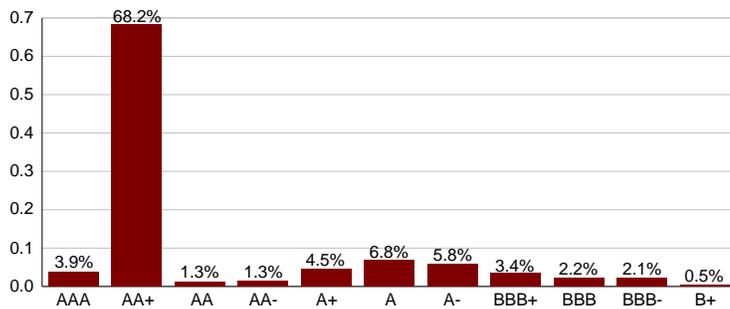
Asset Mix



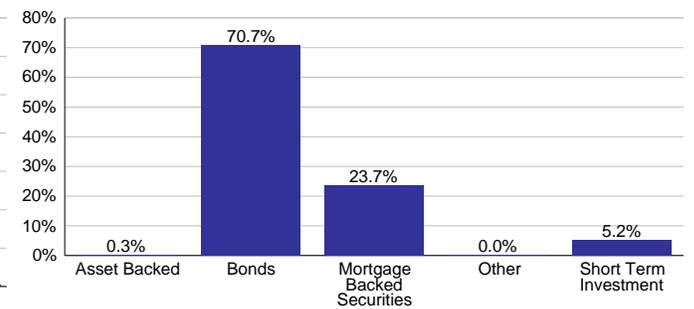
Top Ten Portfolio Holdings

Security ID	Security Name	% of Assets	Coupon Rate	Maturity Date
539992AA5	LOCAL GOVERNMENT INVESTMENT POOL	5.20%	0.00	31/12/2049
912828PE4	US TREASURY BDS 1.25000 '15	1.16%	1.25	31/10/2015
31677QAV1	FIFTH THIRD BANCORP 1.45% BDS 28/FEB/2018 USD1000	0.96%	1.45	28/2/2018
912810FA1	USA TREASURY BDS6.375% BDS 15/AUG/2027 USD1000	0.91%	6.38	15/8/2027
912810ED6	US TREASURY BDS 8.12500 '19	0.90%	8.12	15/8/2019
912810DZ8	USA TREASURY BDS 8.875% 15/AUG/2017 USD1000	0.86%	8.88	15/8/2017
20825CAP9	CONOCOPHILLIPS 5.9% BDS 15/MAY/2038 USD1000	0.80%	5.90	15/5/2038
59562VAT4	MIDAMERICAN ENERGY HLDGS 5.75% SNR NTS 01/APR/2018	0.76%	5.75	1/4/2018
92343VAM6	VERIZON COMMUN 6.1% NTS 15/APR/2018 USD1000	0.76%	6.10	15/4/2018
912828HH6	US TREASURY BDS 4.25000 '17	0.75%	4.25	15/11/2017

Quality/Rating Weightings

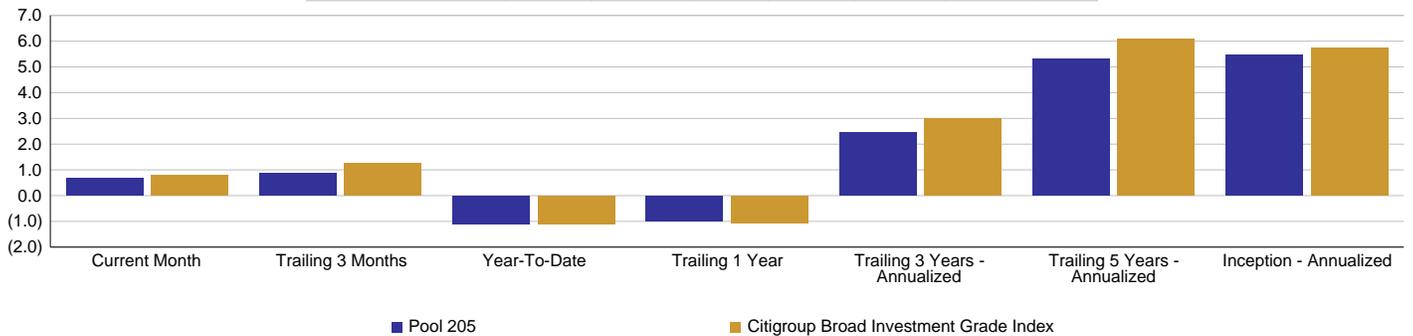


Sector Weightings (as % of Market Value)



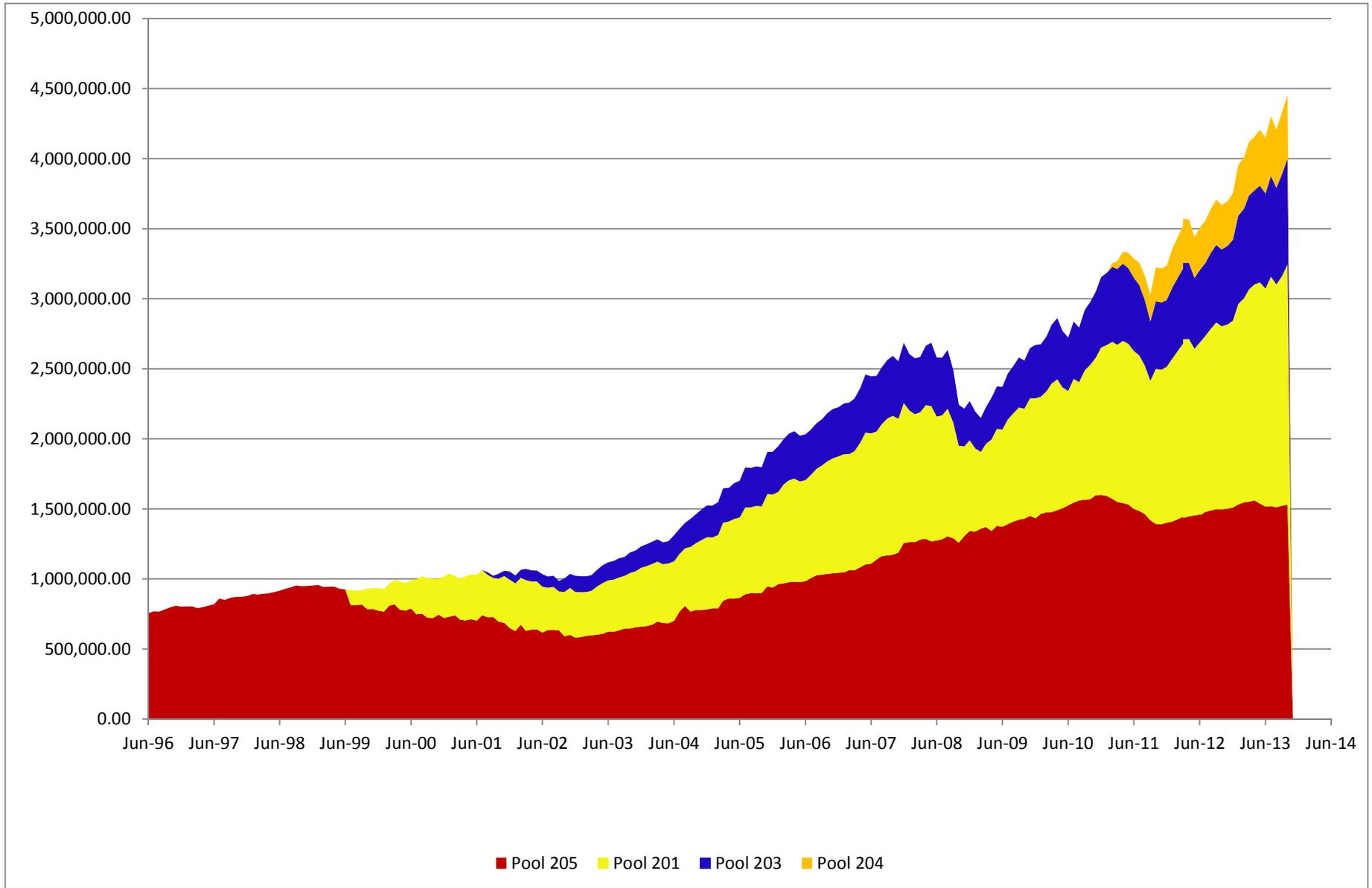
Returns Series

	Current Month	Trailing 3 Months	Year-To-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Inception
Pool 205	0.66	0.86	(1.09)	(0.98)	2.46	5.31	5.48
Citigroup Broad Investment Grade Index	0.81	1.25	(1.11)	(1.07)	3.01	6.07	5.74
Excess	(0.15)	(0.40)	0.02	0.09	(0.55)	(0.77)	(0.26)



Thousands

Endowment Fund Market Value

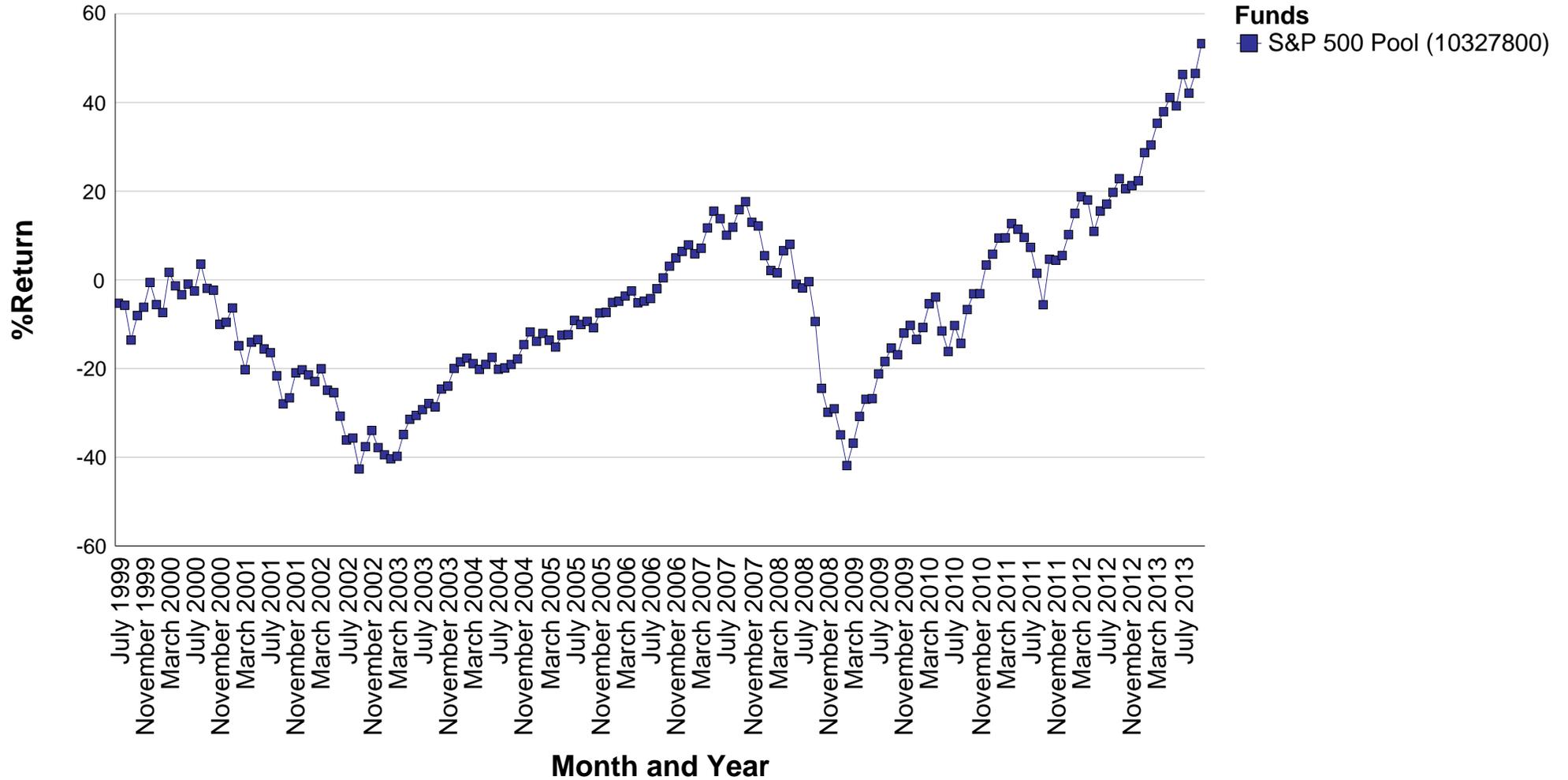


Performance Growth by Account

Arizona State Treasury (05509)

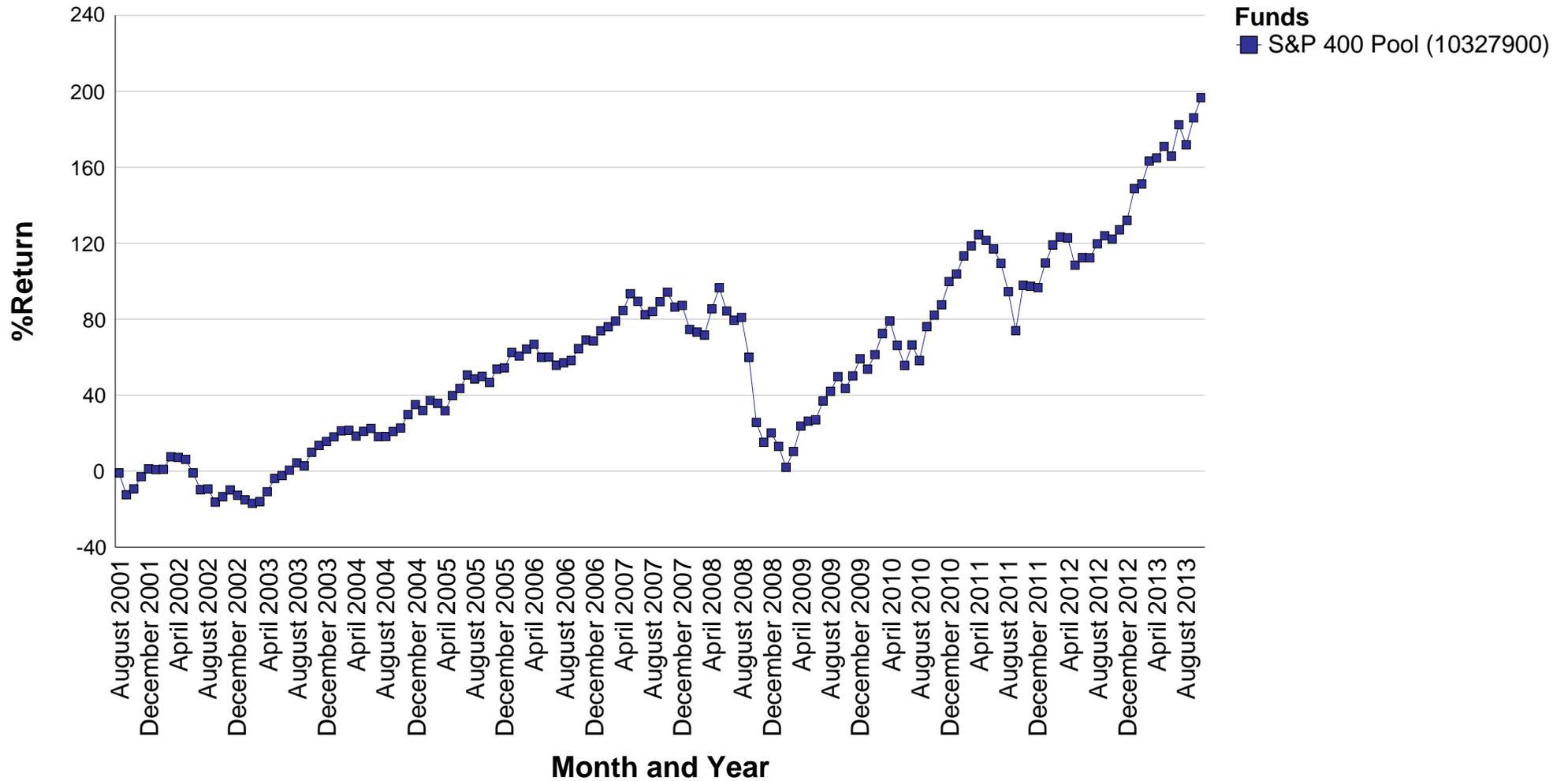
From July 1999 to October 2013

Gross of Fee



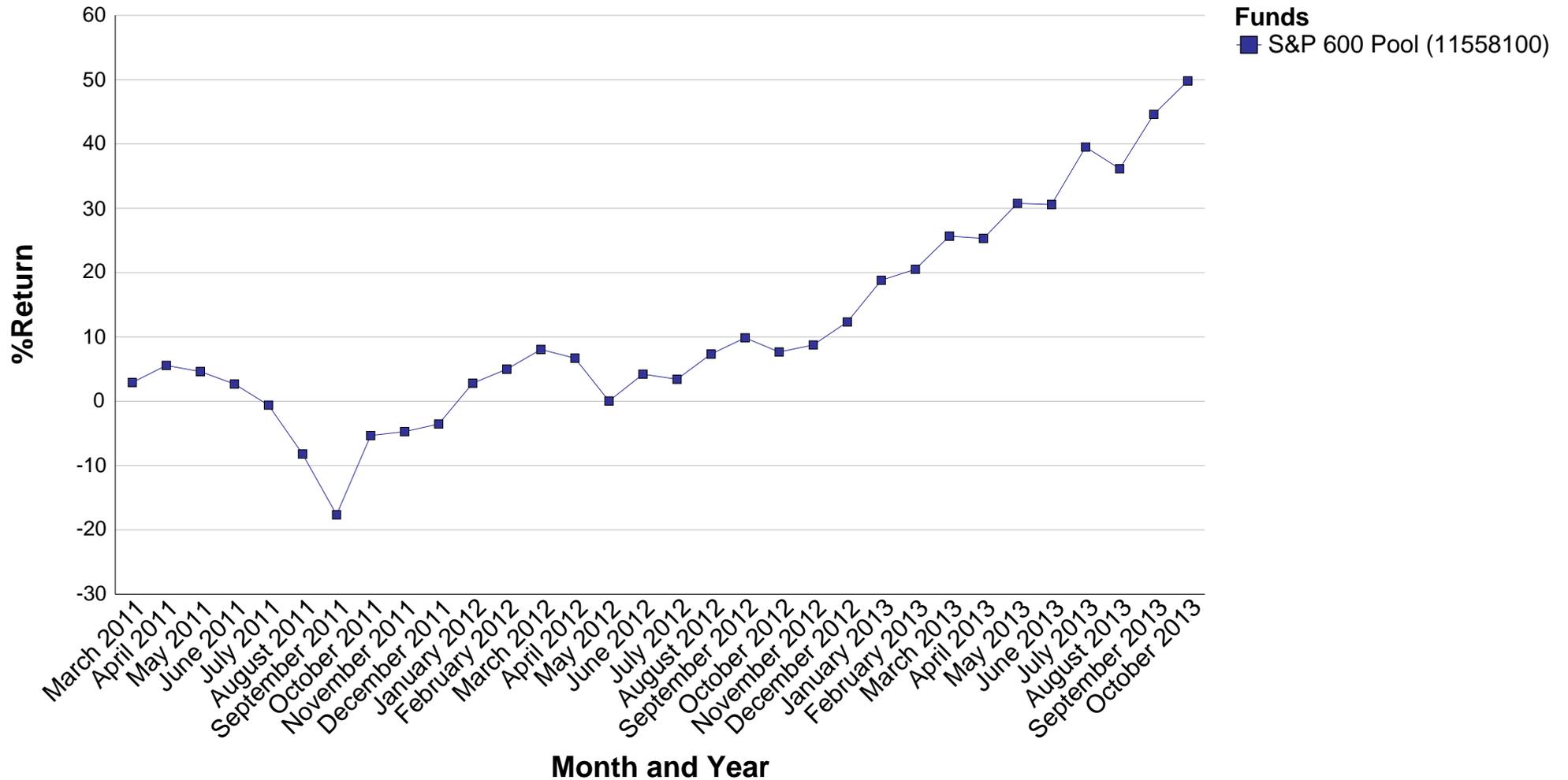
Performance Growth by Account

Arizona State Treasury (05509)
From August 2001 to October 2013
Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)
From March 2011 to October 2013
Gross of Fee



Performance Growth by Account

Arizona State Treasury (05509)

From July 1999 to October 2013

Gross of Fee

