

OFFICE OF THE
ARIZONA STATE TREASURER



JEFF DEWIT
TREASURER



JANUARY 2015

Presented To:

Arizona State Board of Investment

FEBRUARY 24, 2015

STATE BOARD OF INVESTMENT

A G E N D A

February 24, 2015

1. Call to Order
2. Chairman Remarks
3. Approval of January 27, 2015 Minutes
4. Review of Treasurer's Monthly Reports
 - A. Earnings Distribution; Investment Pools
 - B. Operating Monies Invested Balances
 - C. State Agency Pools Investments and Performance Reports
 - D. LGIP Pools Investments and Performance Reports
 - 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

February 24, 2015

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**Minutes of
BOARD OF INVESTMENT MEETING**

The regular meeting of the State Board of Investment was held on January 27, 2015 in the Office of the State Treasurer, 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona. Treasurer DeWit called the meeting to order at approximately 1:32 p.m.

Members Present:

Jeff DeWit, Chair, State Treasurer
Lauren Kingry, Superintendent, Department of Financial Institutions
Beth Ford, Treasurer, Pima County
Harry A. Papp, CFA and Managing Partner, L. Roy Papp & Associate
Kathy Peckardt, Interim Director of Arizona Department of Administration

Others Present:

Mark Swenson, Policy and Research, Arizona State Treasurer's Office
Carlton Woodruff, Deputy Treasurer of Operations, Arizona State Treasurer's Office
Patty Humbert, Chief Investment Officer, Arizona State Treasurer's Office
Tim White, Senior Portfolio Manager, Arizona State Treasurer's Office
Dennis Stevenson, Portfolio Manager, Arizona State Treasurer's Office
Jake Richardson, Investment Analyst, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Sean Dollman, Director of Government Affairs, Arizona State Treasurer's Office
Russ Wiles, Reporter, Arizona Republic
Angelie Hawley, Accounting Supervisor, Pima County Treasurer's Office

Pursuant to A.R.S. 35-311, the following reports for December, 2014 were submitted for the Board's approval:

Review of Treasurer's Monthly Reports:

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

1. Call to Order:

Treasurer DeWit called the January 27, 2015 BOI meeting to order at approximately 1:32 pm.

2. Treasurers Comments:

Treasurer DeWit welcomed the board members and guests and thanked all present for attending the January 27, 2015 meeting. Treasurer thanked Harry Papp and Treasurer Beth Ford for their acceptance of reappointment to the Board of Investments. Dennis Stevenson, Investment Portfolio Manager and Jake Richardson, Investment Analyst of the Arizona State Treasurer's Office were introduced by Treasurer DeWit.

3. Approval of Minutes:

Mr. Papp made a motion to approve the December 22, 2014 minutes. Mr. Kingry seconded the motion. Motion carried.

4. Review of Treasurer's Monthly Report

Earnings Distribution – Investment Pools

Ms. Humbert reported the earnings distributed month-to-date, year-to-date, prior year-to-date, and investment management fees deposited in the General Fund for the month of December, 2014.

Operating Monies Average Invested Balance

Ms. Humbert reported the Operating Monies average invested balance for the month of December, 2014.

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 December, 2014.

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 December 31, 2014.

Investments Outstanding in State Agency Pools

Ms. Humbert reported the total net assets, asset allocation, the weighted average life, the weighted average duration and the weighted average rating for the State Agency Investment Pools as of December 31, 2014.

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

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

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

Ms. Humbert reported the net yield for the LGIP and LGIP-Gov Pools and the comparison to the benchmark for the month of December, 2014.

Pool 500 & Pool 700 Portfolio Yield Analysis

Ms. Humbert reported the net yield for the LGIP Medium Term Pools and the comparison to the benchmark for the month of December, 2014.

Manager Allocation of Invested Monies for the LGIP Pools

Ms. Humbert reported the total market value invested in all of the LGIP Pools as a percentage of the total that was allocated to each of the LGIP, LGIP-Gov, and LGIP Medium Term Pools as of December 31, 2014.

LGIP Pools Investments and Performance Reports

Ms. Humbert reported the total net assets, asset allocation, the weighted average life, the weighted average duration, and the weighted average rating on the LGIP, LGIP-Gov, and LGIP Medium Term pools for the month of December, 2014.

Mr. Kingry requested an explanation regarding the Budget Stabilization Fund calculation. Ms. Humbert and Mr. Swenson provided a brief explanation.

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 December, 2014.

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 December 2014 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 December, 2014.

Equity Funds Purchases & Sales

Mr. White reported the purchases and sales (summary) of the Endowment Equity Pools for the month of December, 2014.

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of December 31, 2014.

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 December 31, 2014.

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 December 31, 2014.

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 December 31, 2014.

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 December 31, 2014.

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 December 31, 2014.

Fixed Income Investments and Performance Reports

Mr. White reported the total net assets, asset allocation, the weighted average life, the weighted average duration and the weighted average rating for the Fixed Income Pool for the month of December, 2014.

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 December 31, 2014.

Broker Activity Report

Mr. White reported the quarterly broker activity for all internally managed pools for the period of October 1, 2014 through December 31, 2014.

Approval of Treasurer's Report

Ms. Ford 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:

No proposed/pending securities dealers.

7. General Business

- a. Approval of Endowment Distributions for FY 2016

Ms. Humbert briefed the Board on the Endowment Distribution for Fiscal Year 2016.

Mr. Kingry requested clarification regarding statute for the endowment distribution calculations. Ms. Humbert provided a brief explanation.

Treasurer DeWit asked for a motion for approval as presented.

Mr. Papp made a motion to approve the Endowment Distribution for FY 2016 as presented. Ms. Ford seconded the motion. Motion carried.

8. Call to the Public

There was no Public comment.

Mr. Papp provided the members of the board with a brief economic update.

9. Notice of Next Meeting:

Treasurer DeWit advised the Board that the next regular meeting of the Board of Investment will be Tuesday, February 24, 2015 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

Mr. Kingry made a motion to adjourn the BOI meeting. Ms. Peckardt seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 2:17 p.m.

Respectfully Submitted by:

Christine Thurston
Executive Consultant II

Approved by:

Jeff DeWit, Chair

Date

**EARNINGS DISTRIBUTION - INVESTMENT POOLS
 JANUARY 2015**

Recipient	Earnings Distributed			Fiscal YTD Investment Management Fees Received
	JANUARY 2015	Fiscal YTD 14/15	Fiscal YTD 13/14	
General Fund	\$1,010,119	\$6,613,385	\$8,643,718	
2 State Agencies - Full Faith & Credit	403,793	3,045,230	3,656,669	\$283,363
3 State Agencies - Diversified <i>(Combined)</i>	569,229	4,144,371	7,890,532	434,906
4 State Agencies - Gov	382,283	3,299,036	3,149,487	267,000
5 LGIP	140,740	690,900	973,283	383,608
7 LGIP Gov	57,532	341,289	260,719	300,830
10 Restricted Operating	281,259	1,897,619	0	452,533
12 CAWCD Medium-Term	402,936	3,013,199	3,164,017	98,342
15 GADA Long-Term	12,731	96,692	127,259	3,927
16 ECDH Medium-Term	499,377	3,338,302	3,324,018	121,620
Subtotal	\$3,760,000	\$26,480,023	\$31,189,701	\$2,346,129
NAV POOL				
500 LGIP - Med Term	202,406	1,569,789	1,832,026	83,105
700 LGIP - FF&C Med Term	110,369	833,989	1,188,959	49,577
Total	\$4,072,774	\$28,883,801	\$34,210,687	\$2,478,811
JANUARY 2014 TOTALS	\$4,609,001			\$2,707,737

OPERATING MONIES
AVERAGE INVESTED BALANCE

Through January 31, 2015

(in millions of dollars)

<u>Month</u>	<u>Fiscal Year</u> <u>2012/2013</u>	<u>Fiscal Year</u> <u>2013/2014</u>	<u>Fiscal Year</u> <u>2014/2015</u>
JULY	1,817	1,942	1,876
AUGUST	1,475	1,709	1,369
SEPTEMBER	1,420	1,974	1,638
OCTOBER	1,205	1,824	1,521
NOVEMBER	1,316	1,853	1,535
DECEMBER	1,464	1,895	1,478
JANUARY	1,885	2,234	1,754
FEBRUARY	1,899	2,427	
MARCH	1,815	2,107	
APRIL	2,109	2,100	
MAY	2,428	2,312	
JUNE	2,679	2,462	
Y-T-D			
Average	\$1,793	\$2,070	\$1,596
Budget Stabilization Average Fund Balance - January 2015			<u>\$456</u>
Total Average Cash Available - January 2015			\$2,210

**STATE AGENCY POOLS
 PORTFOLIO EARNINGS ANALYSIS
 JANUARY 2015**

FUND	DESCRIPTION	Current Month 01/31/15	Prior Month 12/31/14	Prior Year 01/31/14	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	487,890	516,731	572,193	0.9976
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	753,959	766,834	1,642,379	0.9996
	EXTERNAL MANAGERS	68,582	60,054	46,691	1.0019
	FUND 3 TOTAL	822,541	826,888	1,689,070	0.9997
4	STATE AGENCIES - GOV	483,934	569,662	747,074	0.9986
10	RESTRICTED OPERATING				
	INTERNAL MANAGERS	771,805	776,629	N/A	1.0010
	EXTERNAL MANAGERS	78,472	80,938	74,011	1.0009
	FUND 10 TOTAL	850,276	857,567	74,011	1.0009
12	CAWCD MEDIUM-TERM	402,936	358,071	402,395	1.0108
15	GADA LONG-TERM	12,731	13,595	15,202	1.0044
16	ECDH MEDIUM-TERM	499,377	509,179	491,684	1.0047
	TOTAL STATE AGENCIES	3,559,687	3,651,694	3,991,628	

**STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
JANUARY 2015**

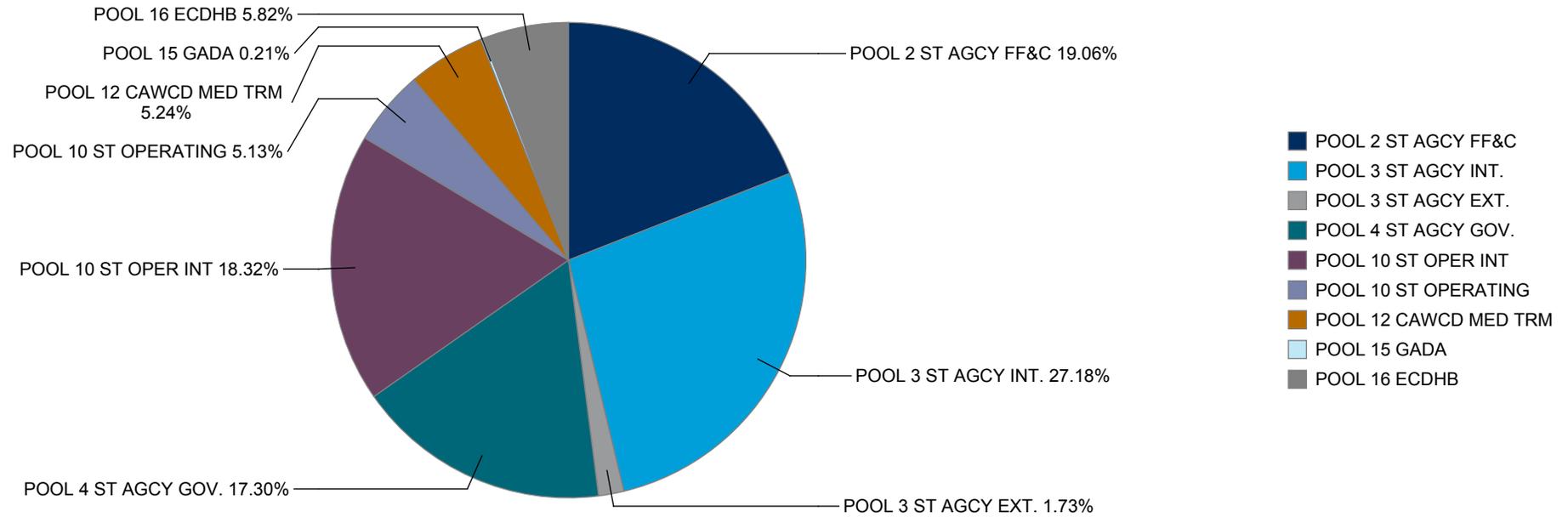
FUND	DESCRIPTION	Current Month 01/31/15	Prior Month 12/31/14	Prior Year 01/31/14
2	STATE AGENCIES - FULL FAITH & CREDIT 75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	0.61% 0.64%	0.69% 0.74%	0.63% 0.85%
3	STATE AGENCIES - DIVERSIFIED INTERNAL MANAGERS EXTERNAL MANAGERS COMBINED 50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.68% 0.79% 0.69% 0.53%	0.79% 0.70% 0.78% 0.61%	0.83% 0.54% 0.82% 0.43%
4	STATE AGENCIES - GOV 50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.65% 0.27%	0.83% 0.39%	0.76% 0.21%
10	RESTRICTED OPERATING INTERNAL MANAGERS EXTERNAL MANAGERS COMBINED SIFMA MUNICIPAL SWAP INDEX **50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.84% 0.31% 0.73% N/A 0.53%	0.85% 0.32% 0.73% N/A 0.61%	N/A 0.29% 0.29% 0.04% N/A
12	CAWCD MEDIUM-TERM *MERRILL 1-5 US D M INDEX	1.54% 1.25%	1.36% 1.46%	1.61% 1.15%
15	GADA LONG-TERM MERRILL 3-5 US BROAD MARKET EX CORP	1.24% 1.51%	1.32% 1.77%	1.48% 1.64%
16	ECDH MEDIUM-TERM *MERRILL 1-5 US D M INDEX	1.73% 1.25%	1.76% 1.46%	1.76% 1.15%

*Note: Beginning with May 2014, the Benchmark for Pools 12 and 16 were changed from Barclays Capital US AGG Bond Index to Merrill 1-5 US DM Index.

**Note: Beginning with June 2014, the Benchmark for Pool 10 was changed from SIFMA Municipal Swap Index to the Benchmark used for Pool 3.



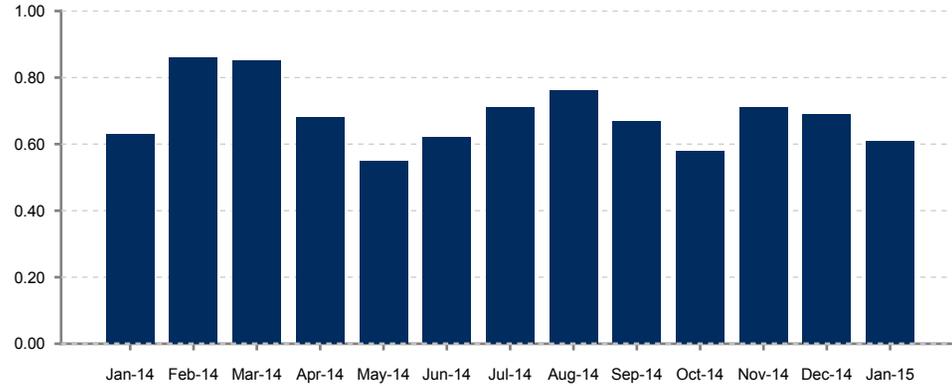
Manager Allocation



	Market Value	% of Portfolio
POOL 2 ST AGCY FF&C	1,121,311,760	19.1
POOL 3 ST AGCY INT.	1,598,981,718	27.2
POOL 3 ST AGCY EXT.	101,809,559	1.7
POOL 4 ST AGCY GOV.	1,017,477,149	17.3
POOL 10 ST OPER INT	1,077,811,731	18.3
POOL 10 ST OPERATING	301,878,105	5.1
POOL 12 CAWCD MED TRM	308,416,930	5.2
POOL 15 GADA	12,161,951	0.2
POOL 16 ECDHB	342,084,927	5.8
TOTAL STATE AGENCY	5,881,933,830	100.0



Net Yield

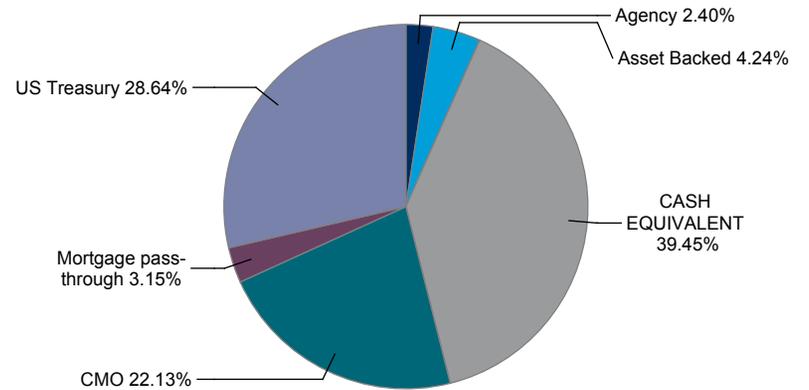


Current Mth **Prior Mth** **1 Year Ago**

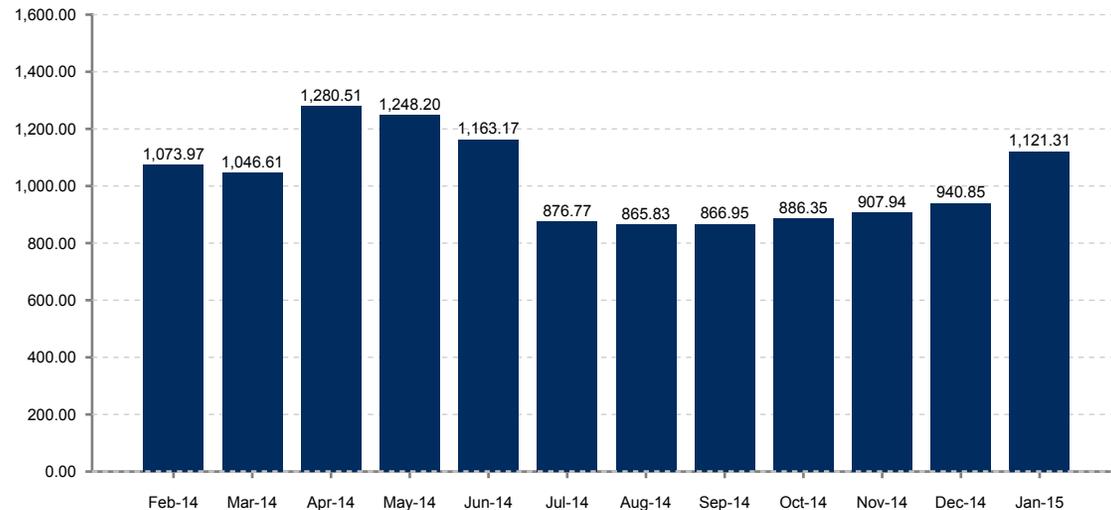
POOL 2 ST AGCY FF&C	0.61	0.69	0.63
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Asset Allocation

	Ending Market Value
POOL 2 ST AGCY FF&C	1,121,311,760



Net Asset Values over Time (\$MM)

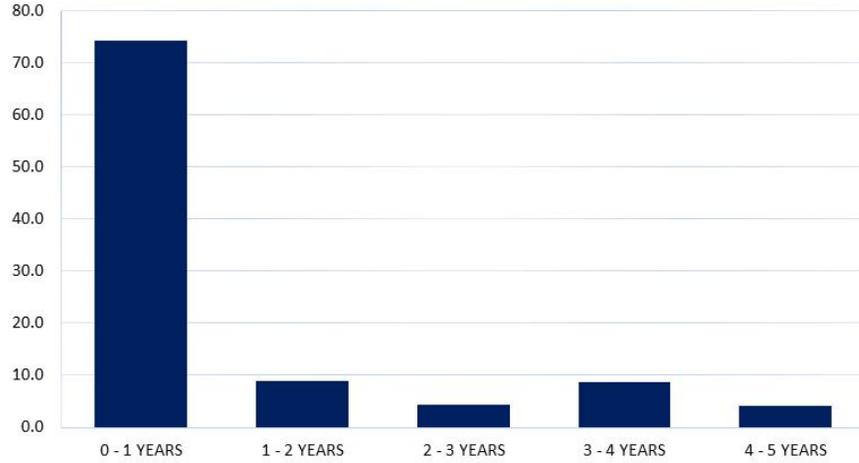


Top 10 Holdings

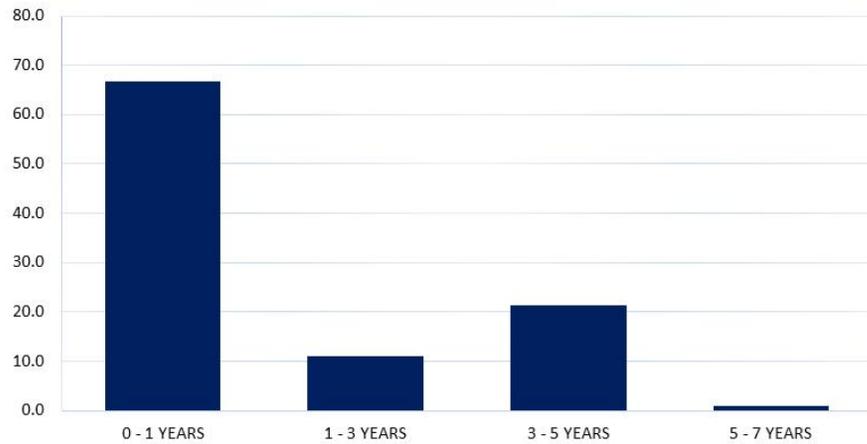
Security Name	Ending Market Value	% of Portfolio
POOL 2 ST AGCY FF&C		
SOUTH STREET REPO	191,286,973	17.06
GUGGENHEIM SECURITIES REPO	185,000,925	16.50
US TREASURY N/B	71,395,752	6.37
US TREASURY N/B	31,303,384	2.79
GOVERNMENT NATIONAL MORTGAGE A	31,300,506	2.79
US TREASURY N/B	30,335,410	2.71
BANK OF AMERICA REPO	26,114,154	2.33
GOVERNMENT NATIONAL MORTGAGE A	21,322,848	1.90
US TREASURY N/B	20,834,843	1.86
US TREASURY N/B	20,388,349	1.82



Duration Distribution



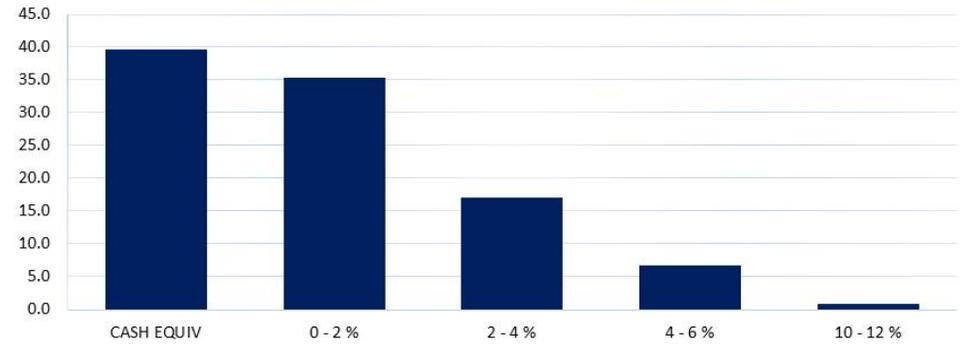
Expected Maturity Distribution



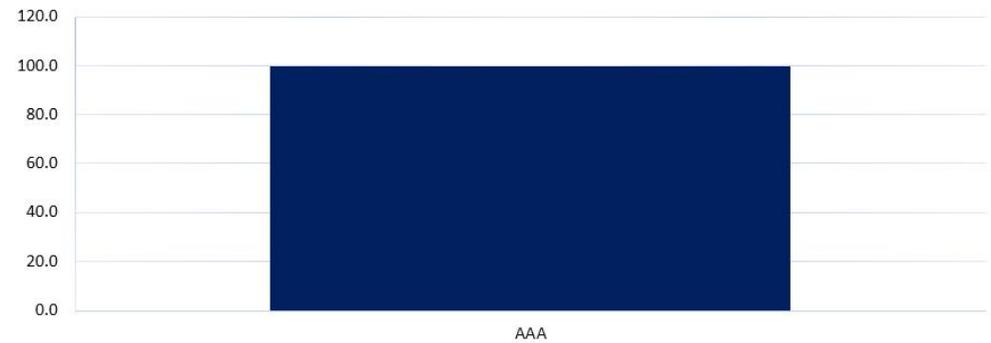
Portfolio Level Characteristics

	POOL 2 ST AGCY FF&C
Weighted Average Life	1.31
Coupon	2.24
Effective Duration	0.88
Quality Rating (Moody's)	AAA

Coupon Distribution

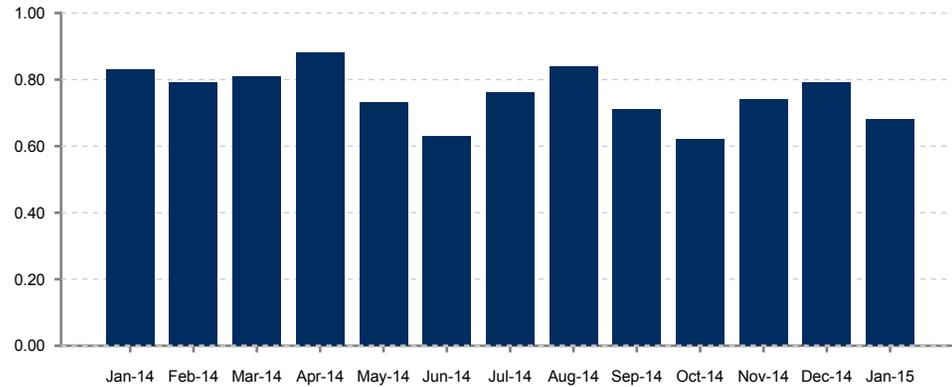


Rating Distribution





Net Yield

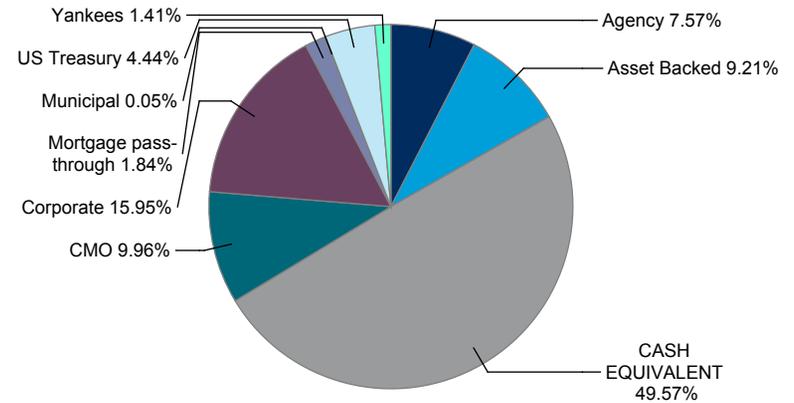


Current Mth **Prior Mth** **1 Year Ago**

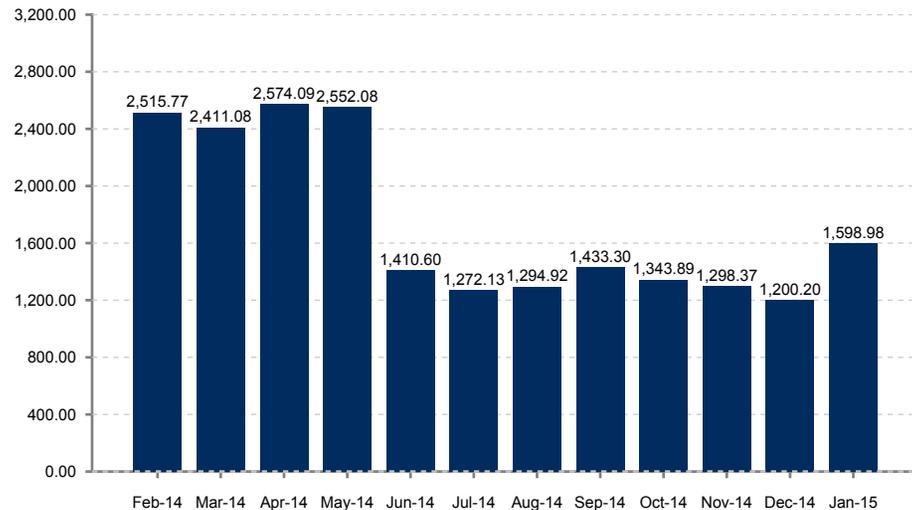
POOL 3 ST AGCY INT.	0.68	0.79	0.83
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Asset Allocation

	Ending Market Value
POOL 3 ST AGCY INT.	1,598,981,718



Net Asset Values over Time (\$MM)

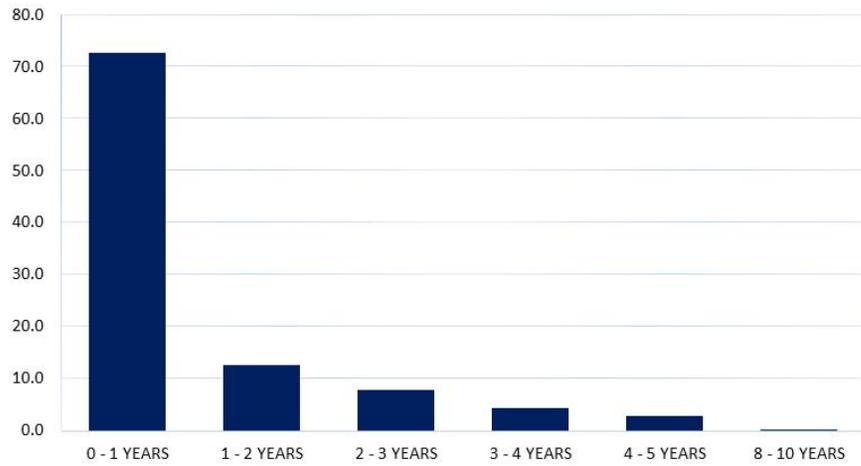


Top 10 Holdings

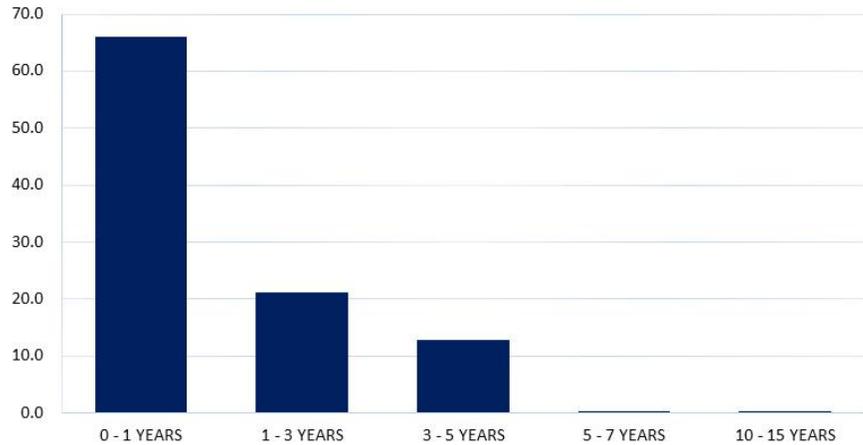
Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY INT.		
SOUTH STREET REPO	463,788,101	29.01
CAN AST & CAN LTD JT	39,985,822	2.50
WHITE POINT FDG INC	29,999,775	1.88
CONCORD MIN CPTL CO	29,999,200	1.88
GOTHAM FDG CORP	29,996,750	1.88
VICTORY RECEIVABLES	25,393,968	1.59
CEDAR SPRING CPTL CO	24,995,486	1.56
FEDERAL NATL MTG ASSN	22,691,860	1.42
FANNIE MAE	21,996,791	1.38
SALISBURY RECEIVABLES CO	19,995,783	1.25



Duration Distribution



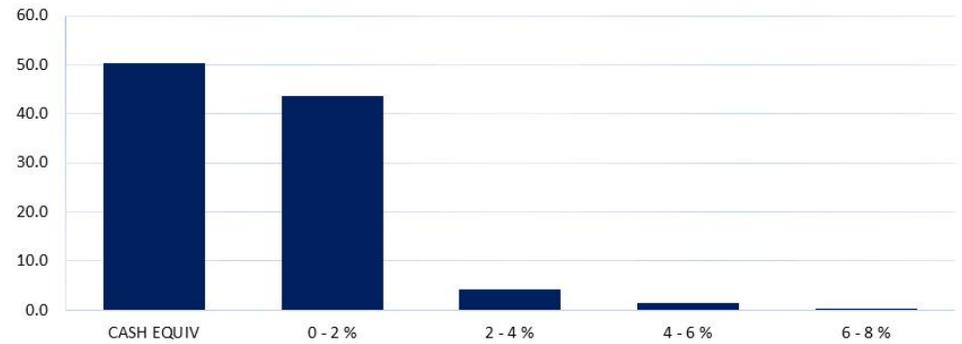
Expected Maturity Distribution



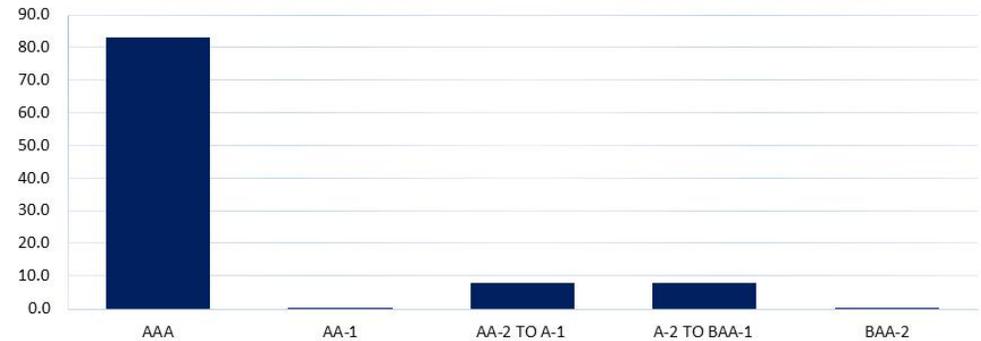
Portfolio Level Characteristics

	POOL 3 ST AGCY INT.
Weighted Average Life	1.07
Coupon	1.03
Effective Duration	0.80
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution





Net Yield

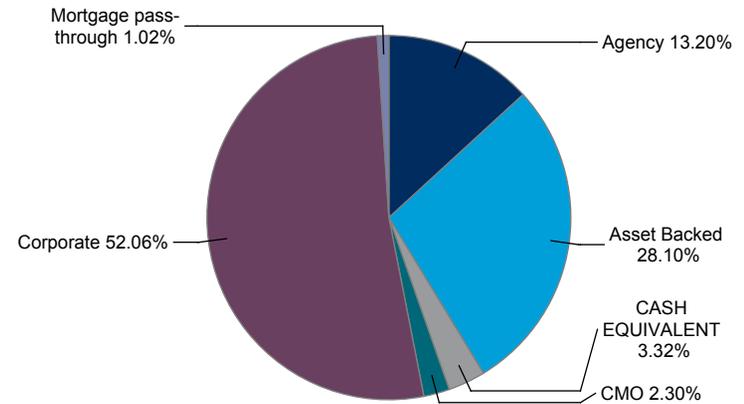


Current Mth **Prior Mth** **1 Year Ago**

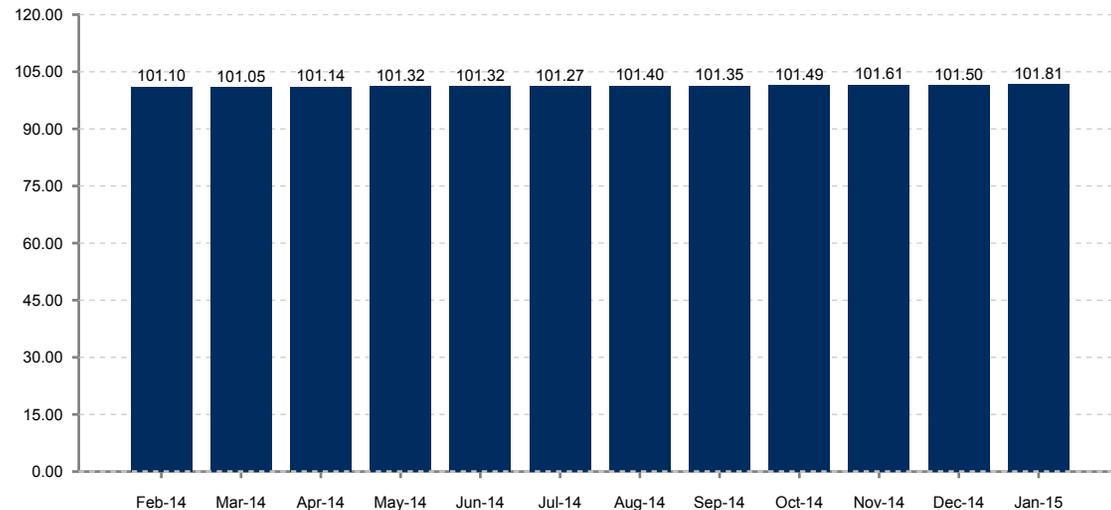
POOL 3 ST AGCY EXT.	0.79	0.70	0.54
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Asset Allocation

	Ending Market Value
POOL 3 ST AGCY EXT.	101,809,559



Net Asset Values over Time (\$MM)

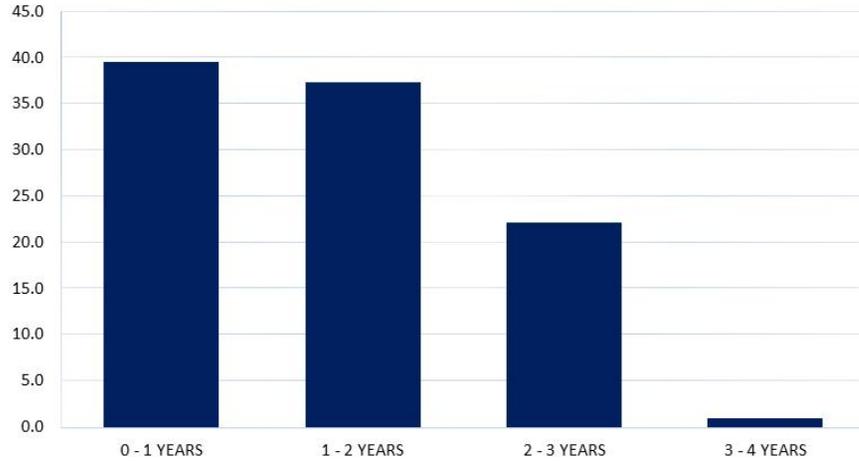


Top 10 Holdings

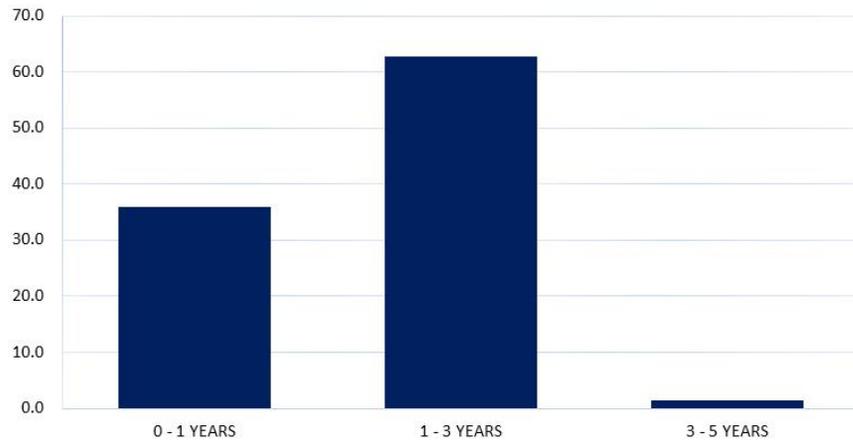
Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY EXT.		
ROYAL BK OF CANADA	1,803,760	1.77
FREDDIE MAC	1,762,741	1.73
MUFG UNION BANK NA	1,651,470	1.62
DISCOVER CARD EXECUTION NOTE T	1,576,387	1.55
FANNIE MAE	1,511,369	1.48
JPMORGAN CHASE + CO	1,510,608	1.48
CITIBANK CREDIT CARD ISSUANCE	1,507,134	1.48
FANNIE MAE	1,506,750	1.48
BANK OF AMERICA NA	1,502,573	1.48
WAL MART STORES INC	1,416,637	1.39



Duration Distribution



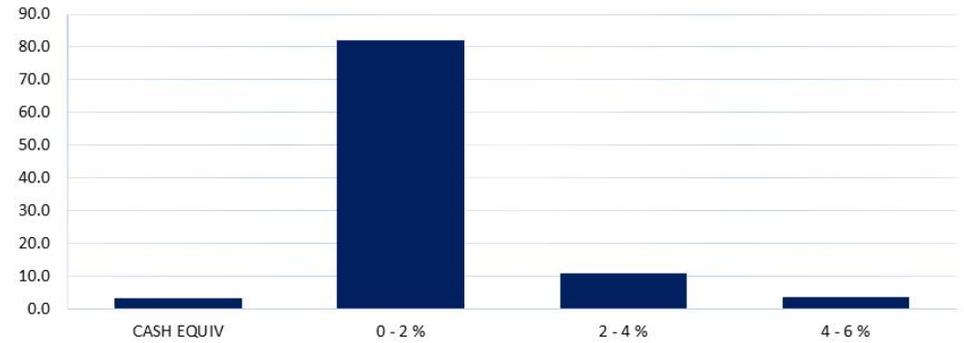
Expected Maturity Distribution



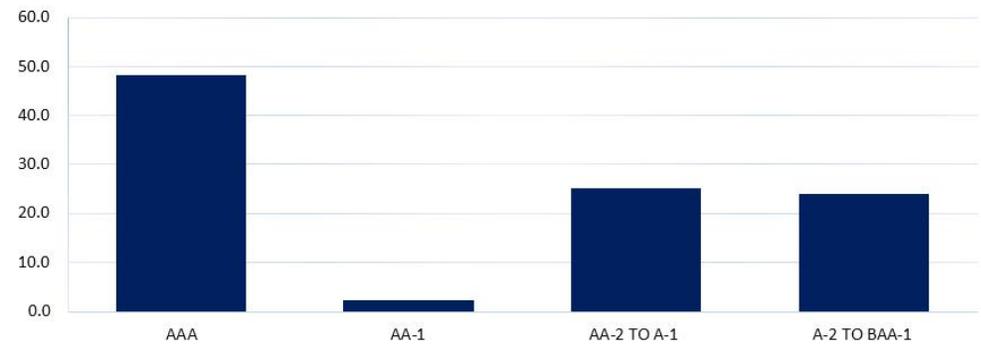
Portfolio Level Characteristics

	POOL 3 ST AGCY EXT.
Weighted Average Life	1.43
Coupon	1.30
Effective Duration	1.24
Quality Rating (Moody's)	AA-2

Coupon Distribution

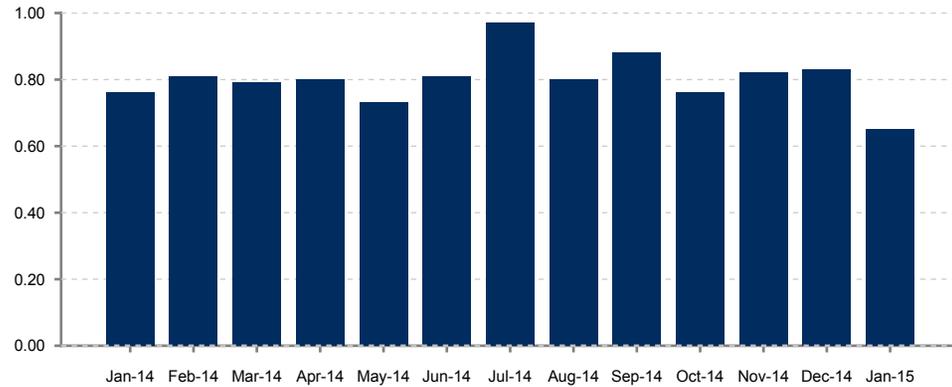


Rating Distribution





Net Yield

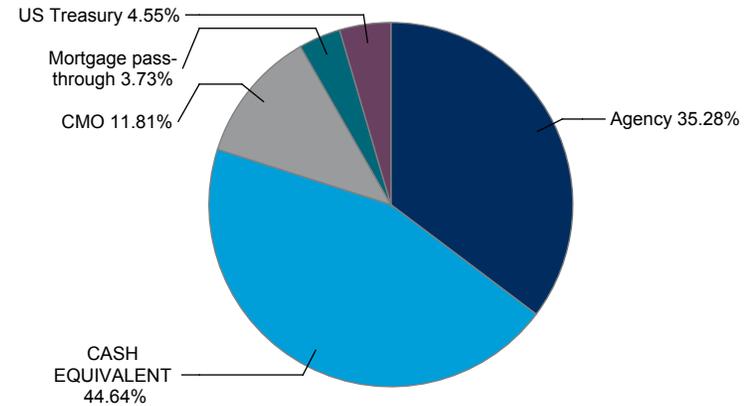


Current Mth Prior Mth 1 Year Ago

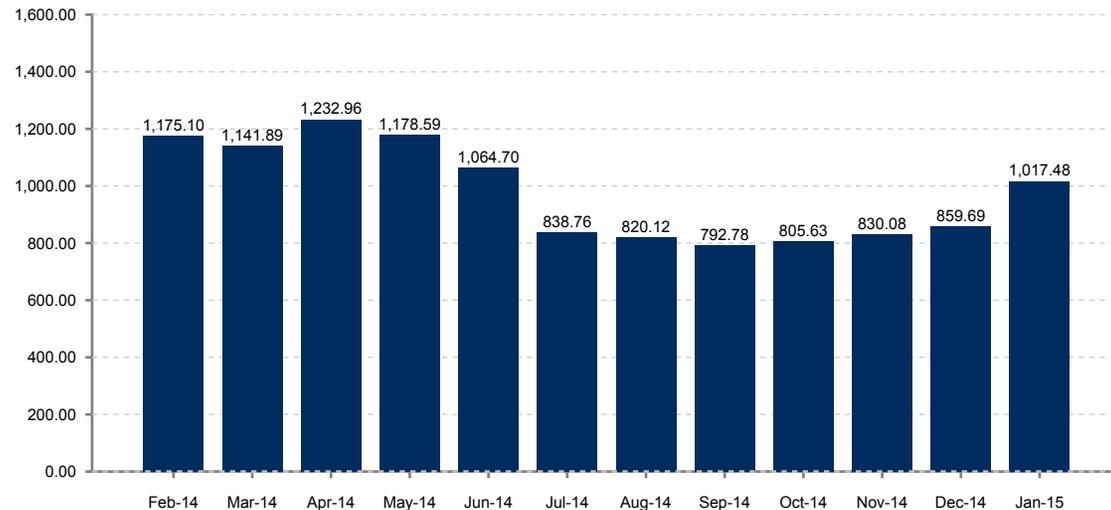
POOL 4 ST AGCY GOV.	0.65	0.83	0.76
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Asset Allocation

	Ending Market Value
POOL 4 ST AGCY GOV.	1,017,477,149



Net Asset Values over Time (\$MM)

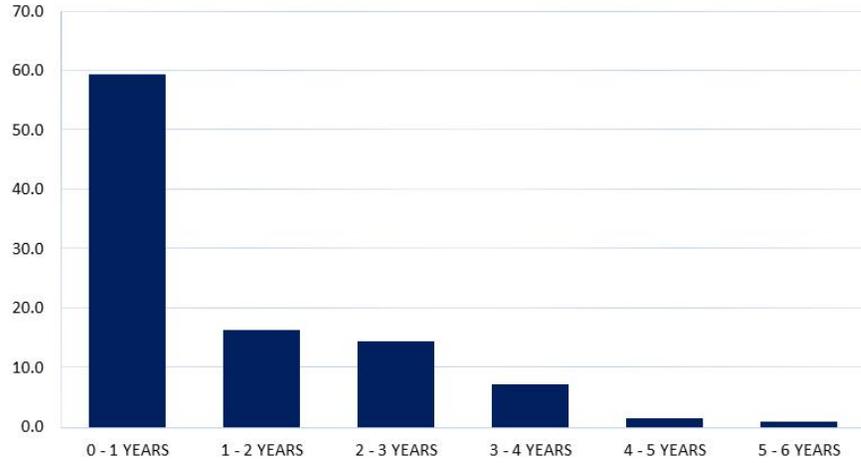


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 4 ST AGCY GOV.		
SOUTH STREET REPO	424,170,375	41.69
FANNIE MAE	39,829,316	3.91
FEDERAL HOME LOAN BANK	32,517,501	3.20
FEDERAL FARM CREDIT BANK	30,019,643	2.95
FED HOME LN DISCOUNT NT	24,990,175	2.46
FED HOME LN DISCOUNT NT	24,990,050	2.46
FREDDIE MAC	22,461,079	2.21
FEDERAL FARM CREDIT BANK	20,062,502	1.97
FEDERAL FARM CREDIT BANK	20,021,650	1.97
FEDERAL FARM CREDIT BANK	20,018,116	1.97



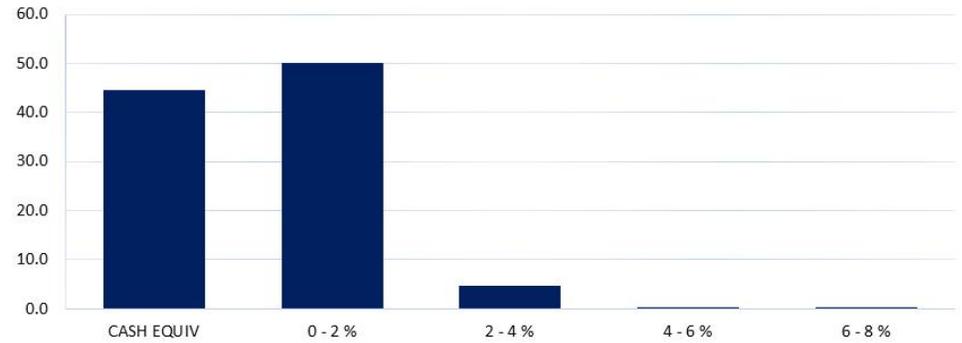
Duration Distribution



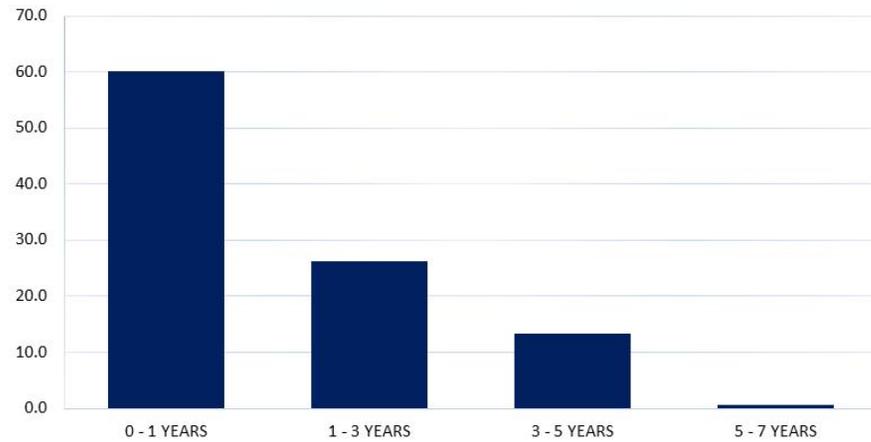
Portfolio Level Characteristics

	POOL 4 ST AGCY GOV.
Weighted Average Life	1.24
Coupon	1.22
Effective Duration	1.06
Quality Rating (Moody's)	AAA

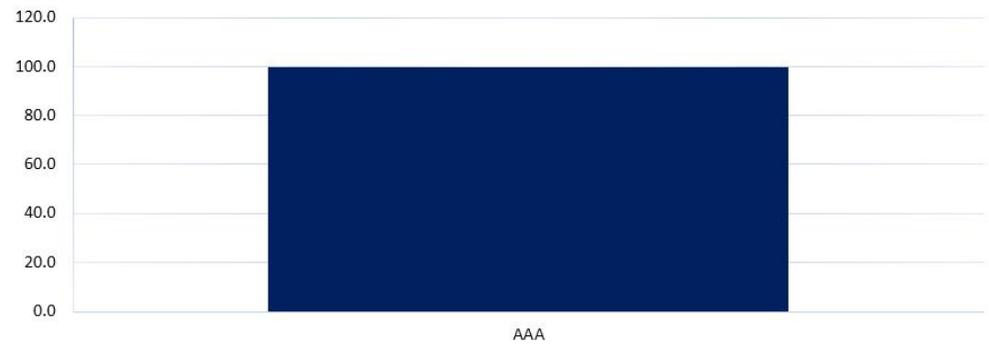
Coupon Distribution



Expected Maturity Distribution

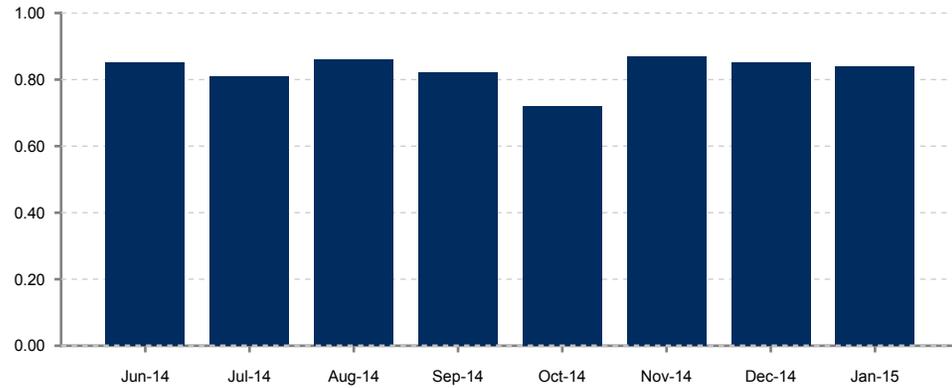


Rating Distribution





Net Yield

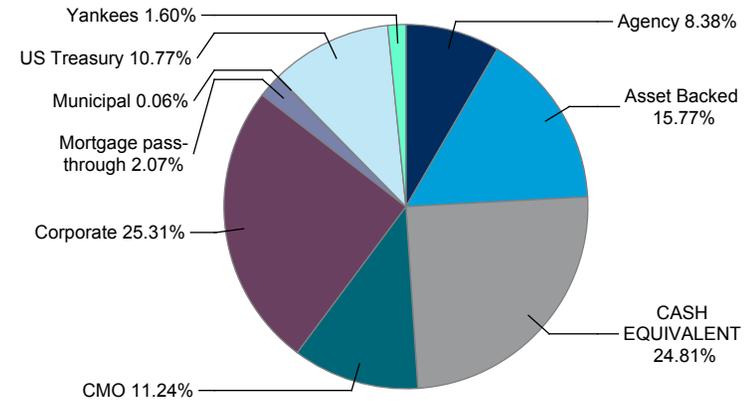


Current Mth **Prior Mth** **1 Year Ago**

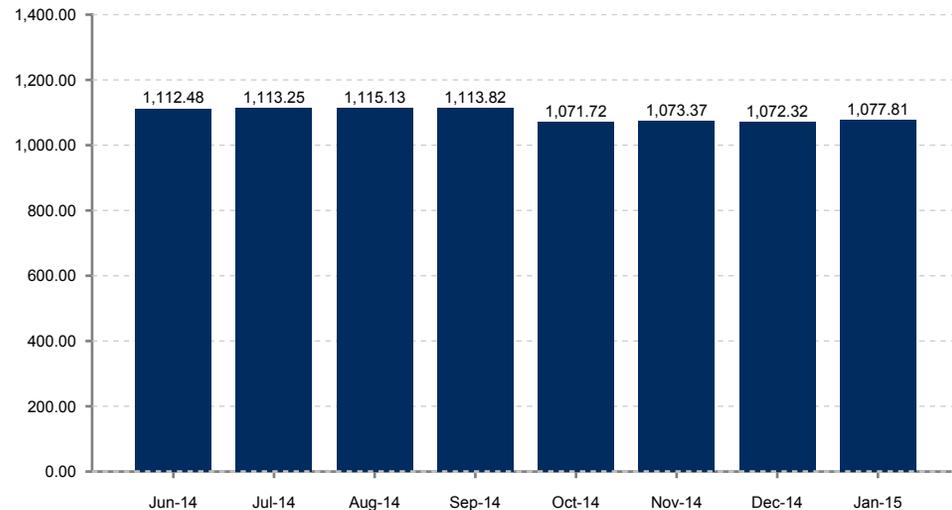
POOL 10 ST OPER INT	0.84	0.85
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Asset Allocation

Ending Market Value
POOL 10 ST OPER INT
1,077,811,731



Net Asset Values over Time (\$MM)

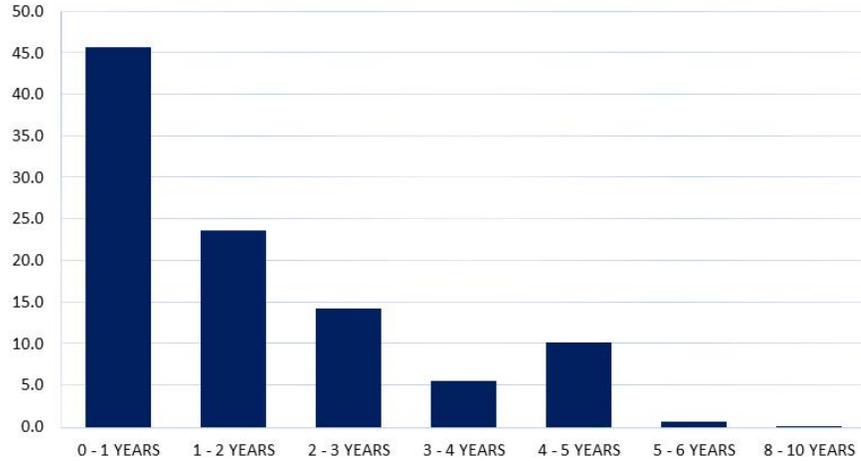


Top 10 Holdings

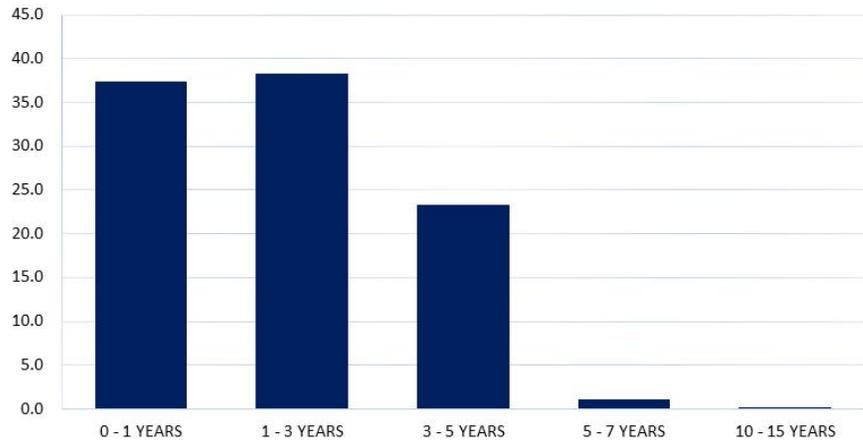
Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPER INT		
SOUTH STREET REPO	44,000,391	4.08
GOTHAM FDG CORP	39,999,822	3.71
CEDAR SPRING CPTL CO	39,976,252	3.71
CONCORD MIN CPTL CO	39,945,108	3.71
MATCHPOINT MASTER TR	31,375,582	2.91
BARCLAYS U.S. FDG LLC	29,972,586	2.78
US TREASURY N/B	20,386,303	1.89
GOLDMAN SACHS GROUP INC	20,295,308	1.88
US TREASURY N/B	20,180,029	1.87
US TREASURY N/B	20,066,660	1.86



Duration Distribution



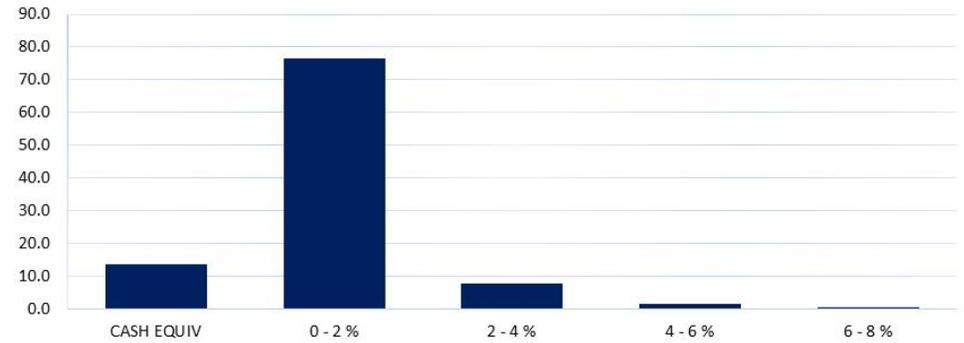
Expected Maturity Distribution



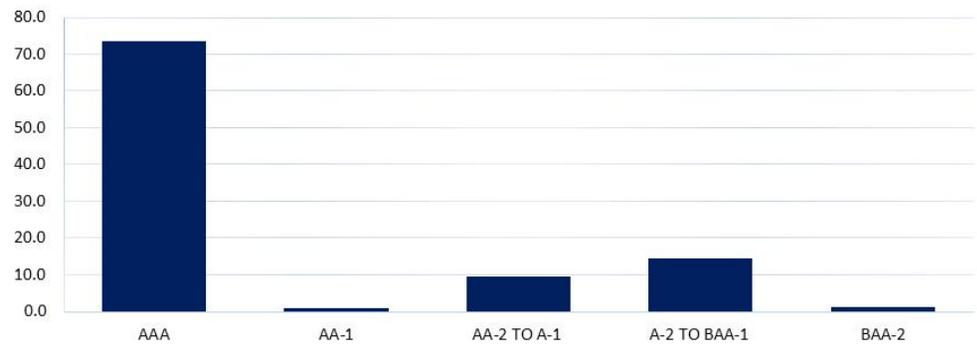
Portfolio Level Characteristics

	POOL 10 ST OPERATING INT
Weighted Average Life	1.71
Coupon	1.12
Effective Duration	1.37
Quality Rating (Moody's)	AA-1

Coupon Distribution

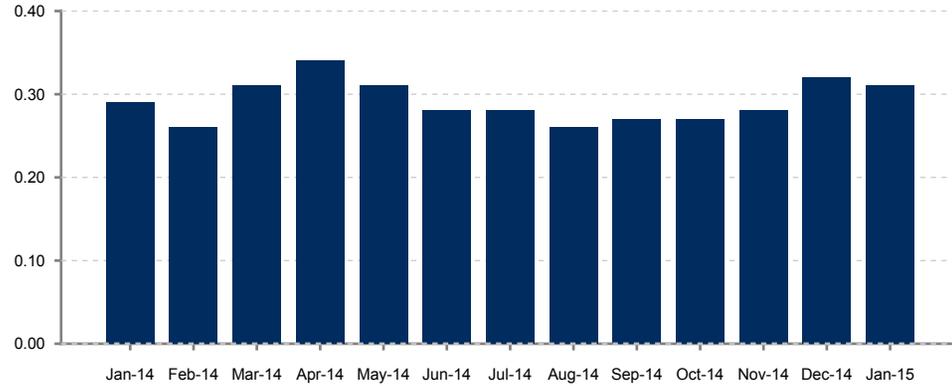


Rating Distribution





Net Yield



Current Mth Prior Mth 1 Year Ago

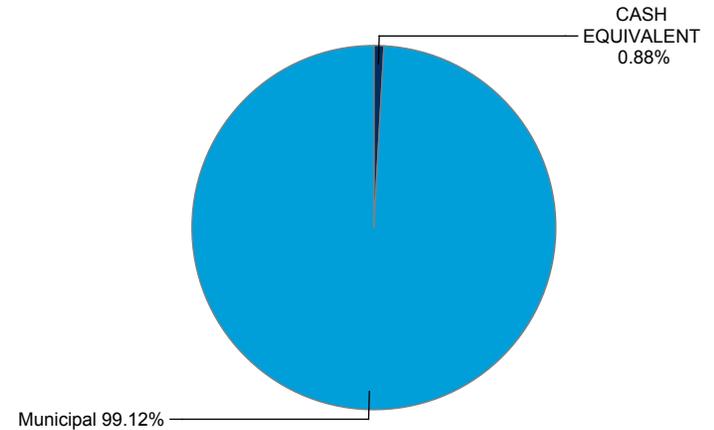
POOL 10 ST OPERATING	0.31	0.32	0.29
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Asset Allocation

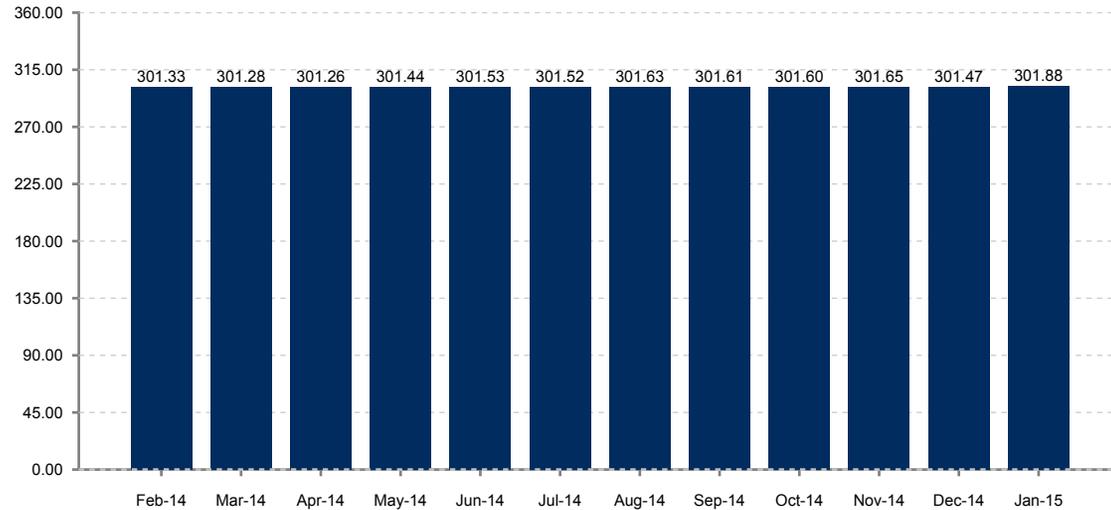
POOL 10 ST OPERATING

Ending Market Value

301,878,105



Net Asset Values over Time (\$MM)

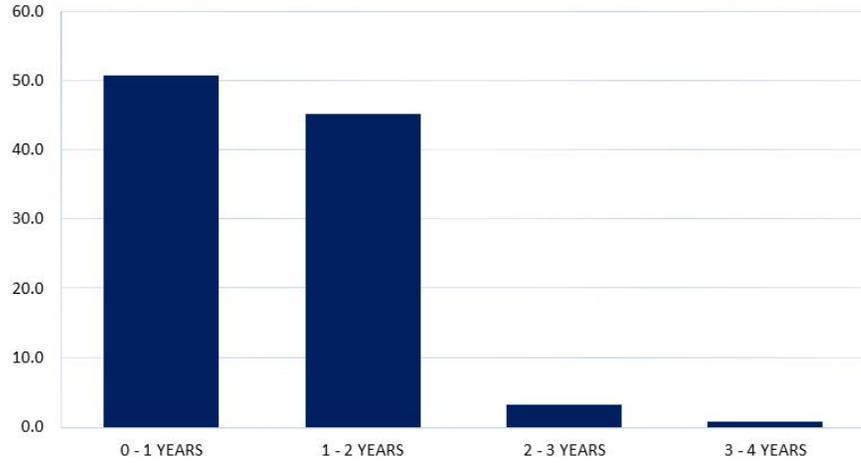


Top 10 Holdings

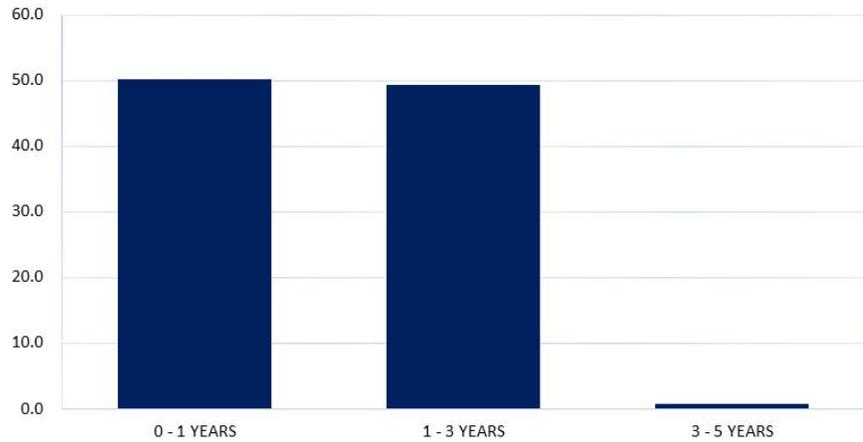
Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPERATING		
MASSACHUSETTS ST SCH BLDG AUTH	36,677,160	12.15
SAN ANTONIO TX	12,639,349	4.19
TEXAS ST	11,769,765	3.90
MASSACHUSETTS ST SCH BLDG AUTH	10,489,678	3.47
OHIO ST	10,472,260	3.47
BEAUFORT CNTY SC SCH DIST	10,204,869	3.38
ARIZONA ST TRANSPRTN BRD HIGHW	9,564,135	3.17
WISCONSIN ST	9,011,832	2.99
ARIZONA ST WTR INFRASTRUCTURE	8,172,879	2.71
NORTH CAROLINA ST CAPITAL IMPT	8,132,083	2.69



Duration Distribution



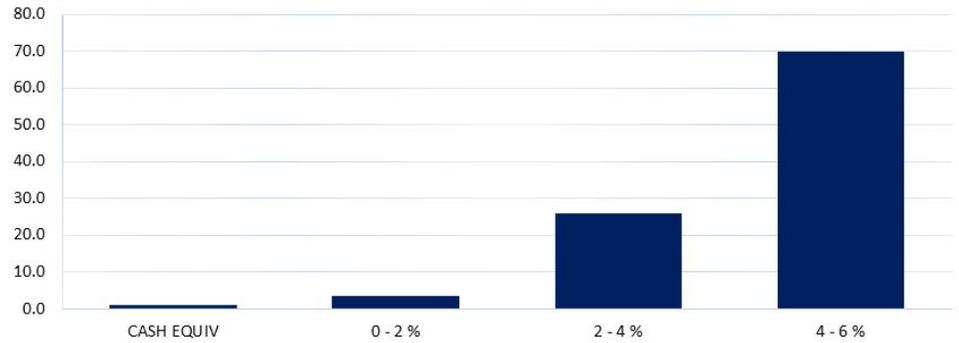
Expected Maturity Distribution



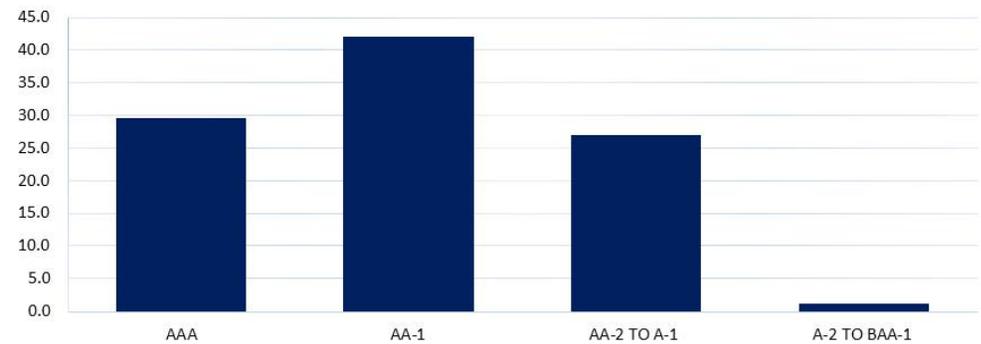
Portfolio Level Characteristics

	POOL 10 ST OPERATING
Weighted Average Life	0.98
Coupon	4.47
Effective Duration	0.95
Quality Rating (Moody's)	AA-1

Coupon Distribution

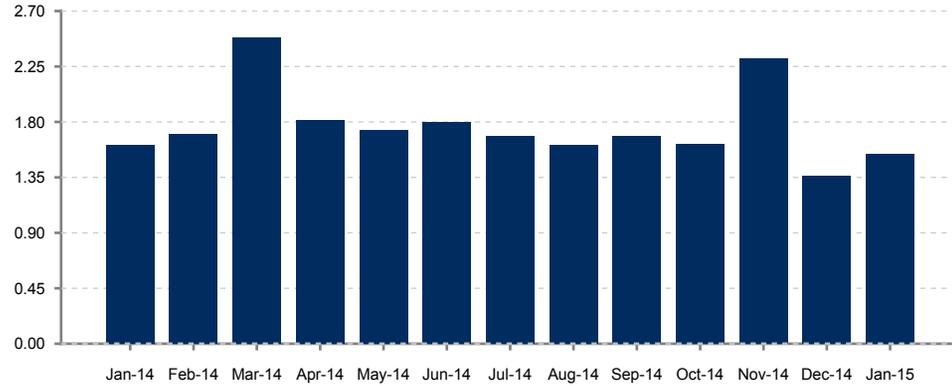


Rating Distribution





Net Yield



Current Mth **Prior Mth** **1 Year Ago**

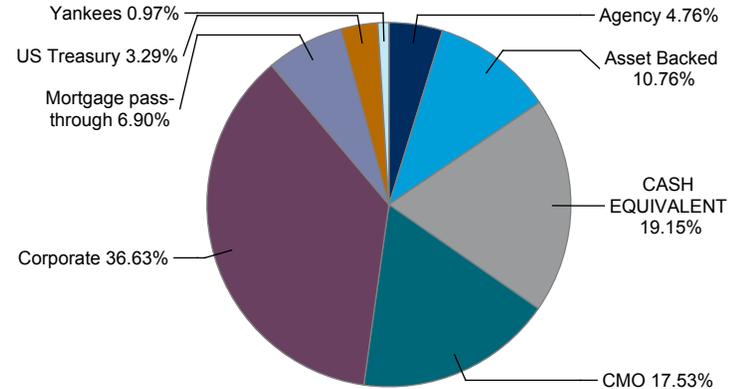
POOL 12 CAWCD MED TRM	1.54	1.36	1.61
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Asset Allocation

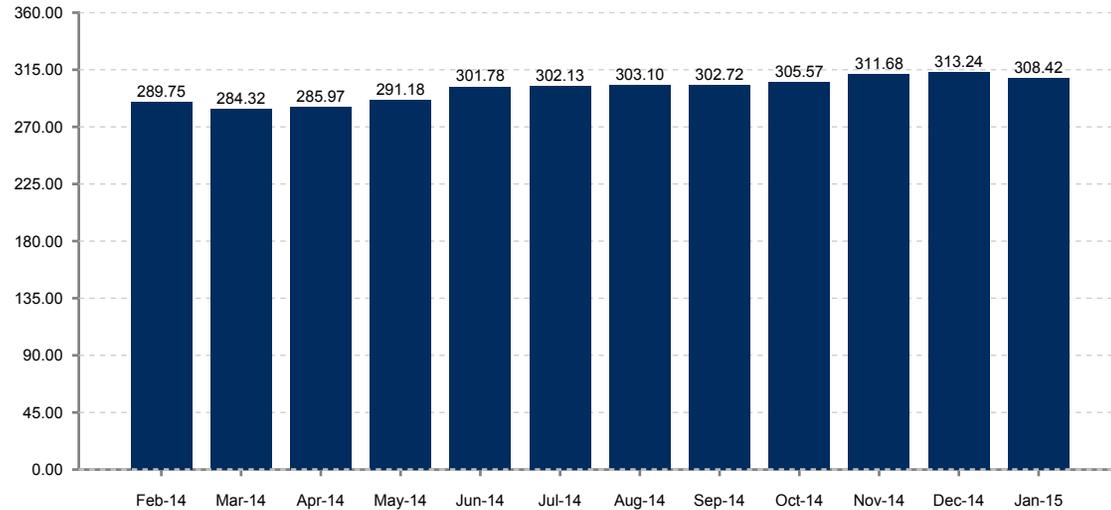
POOL 12 CAWCD MED TRM

Ending Market Value

308,416,930



Net Asset Values over Time (\$MM)

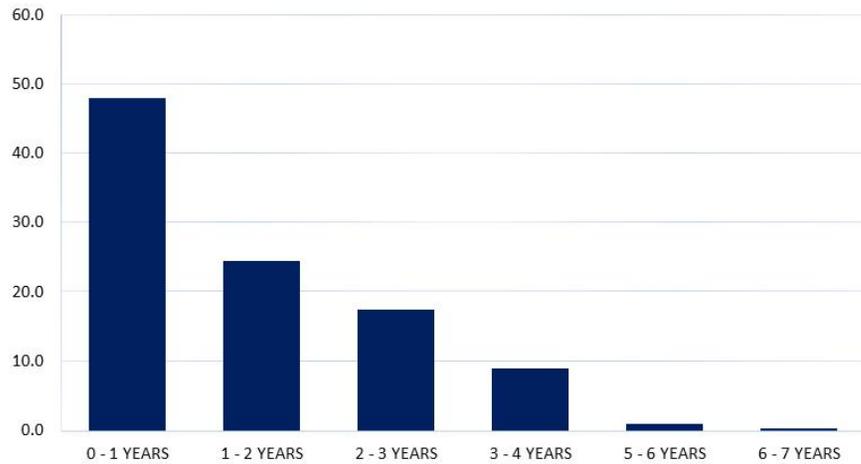


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 12 CAWCD MED TRM		
SOUTH STREET REPO	18,544,431	6.01
MOUNTCLIFF	9,999,925	3.24
INSTITUTIONAL SECURED	9,999,567	3.24
CONCORD MIN CPTL CO	9,995,125	3.24
RIDGEFIELD FUNDING CO	9,992,587	3.24
FANNIE MAE	8,149,988	2.64
FNMA POOL AV9175	7,076,933	2.29
FNMA POOL MA1763	6,643,303	2.15
FANNIE MAE	5,673,189	1.84
FANNIE MAE	5,501,288	1.78



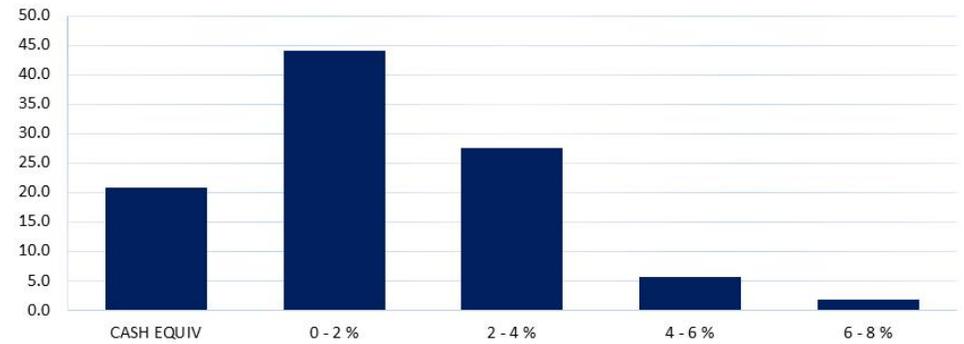
Duration Distribution



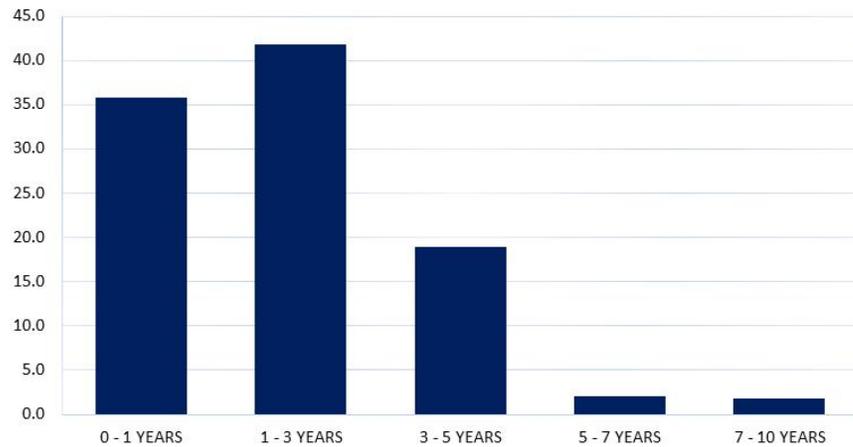
Portfolio Level Characteristics

	POOL 12 CAWCD MED TRM
Weighted Average Life	1.88
Coupon	1.87
Effective Duration	1.33
Quality Rating (Moody's)	AA-2

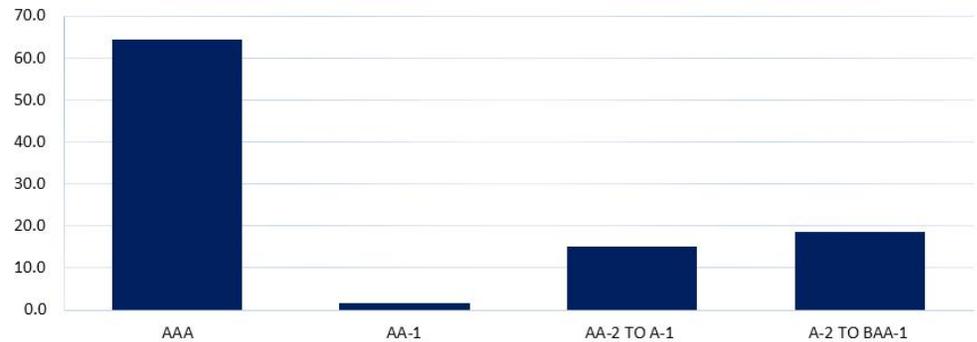
Coupon Distribution



Expected Maturity Distribution

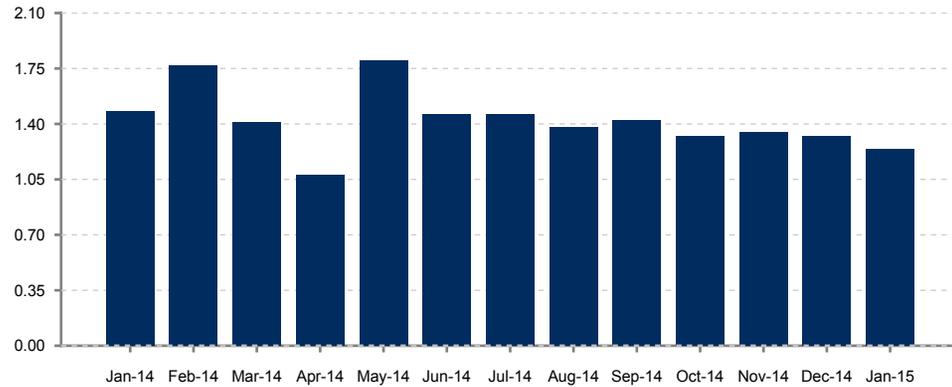


Rating Distribution





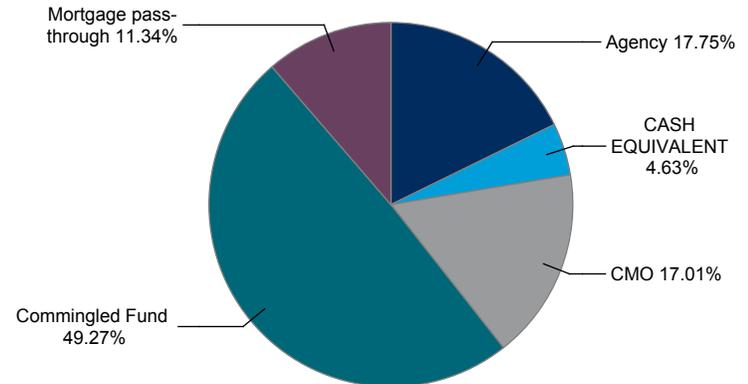
Net Yield



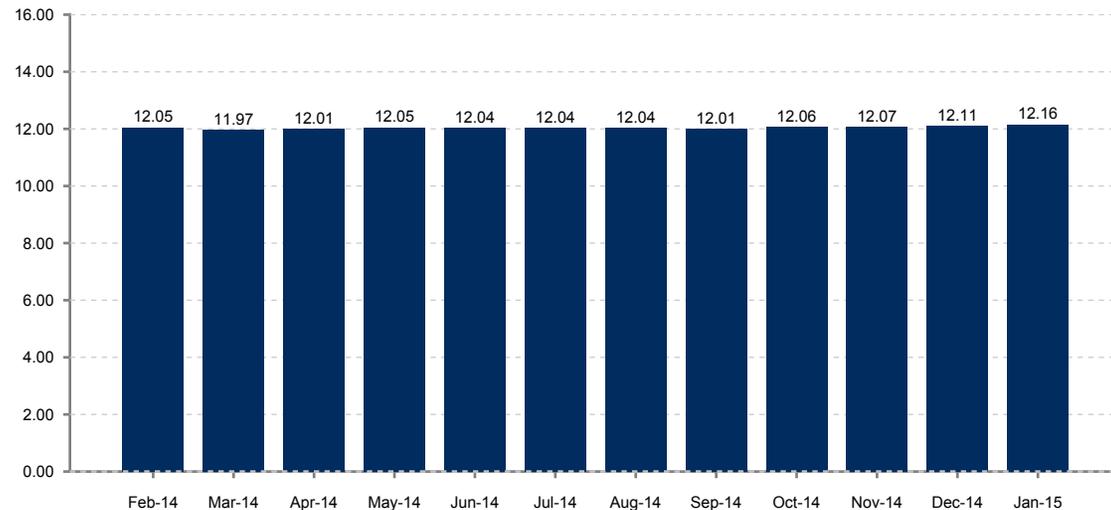
	Current Mth	Prior Mth	1 Year Ago
POOL 15 GADA	1.24	1.32	1.48

Asset Allocation

	Ending Market Value
POOL 15 GADA	12,161,951



Net Asset Values over Time (\$MM)

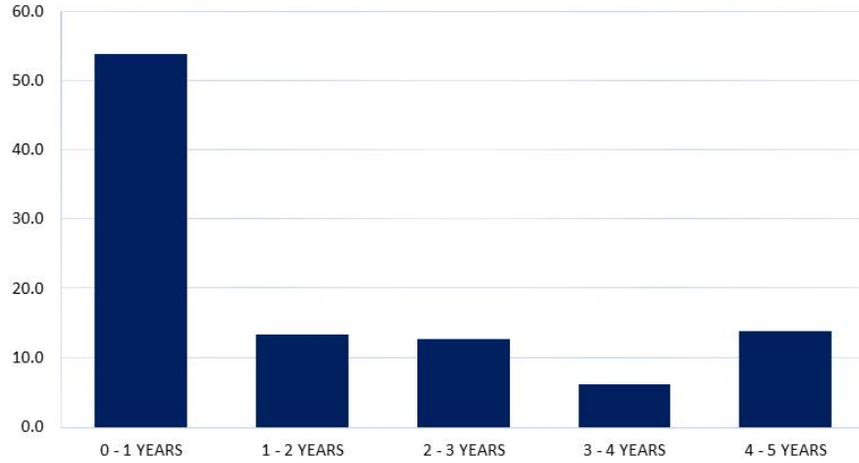


Top 10 Holdings

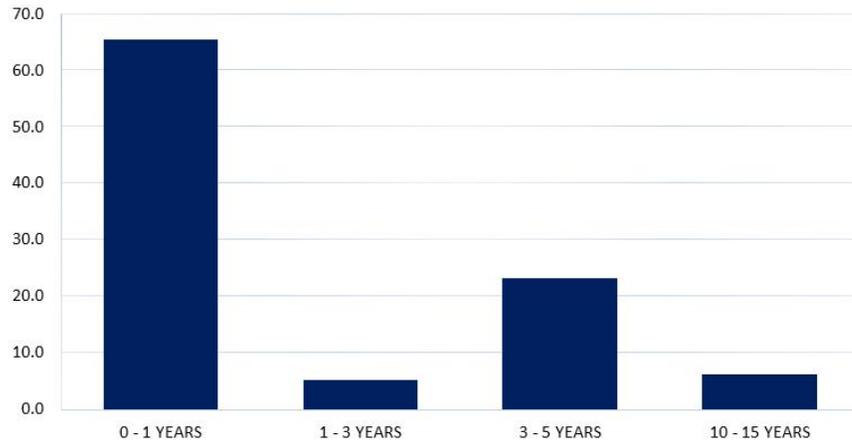
Security Name	Ending Market Value	% of Portfolio
POOL 15 GADA		
LOCAL GOV INVS POOL 4	5,457,216	44.87
FANNIE MAE	1,679,643	13.81
FEDERAL FARM CREDIT BANK	1,003,726	8.25
FANNIE MAE	756,140	6.22
SSC GOVERNMENT MM GVXX	563,494	4.63
LOCAL GOV INVS POOL 700	542,217	4.46
FREDDIE MAC	468,907	3.86
FEDERAL HOME LOAN BANK	401,029	3.30
FNMA POOL AJ1622	338,899	2.79
GOVERNMENT NATIONAL MORTGAGE A	223,947	1.84



Duration Distribution



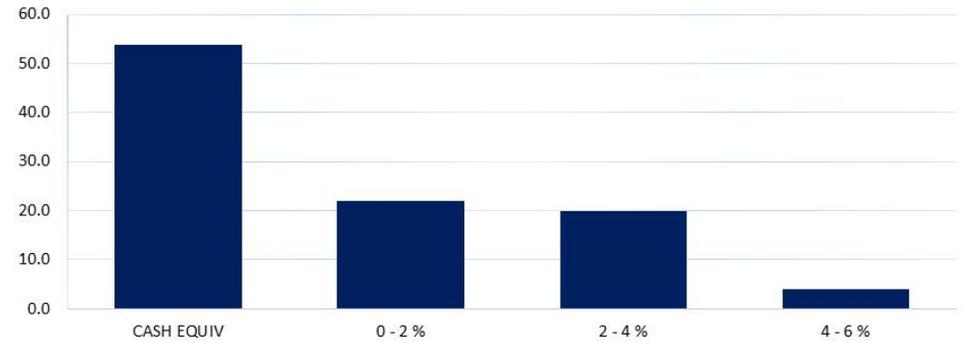
Expected Maturity Distribution



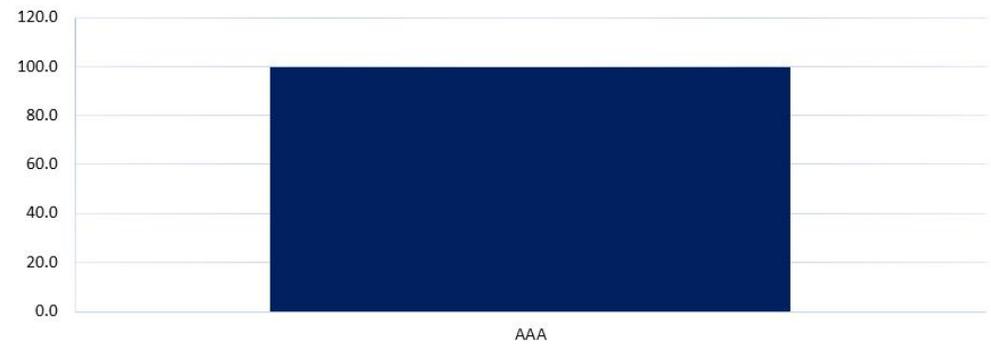
Portfolio Level Characteristics

	POOL 15 GADA
Weighted Average Life	1.62
Coupon	1.10
Effective Duration	1.30
Quality Rating (Moody's)	AAA

Coupon Distribution

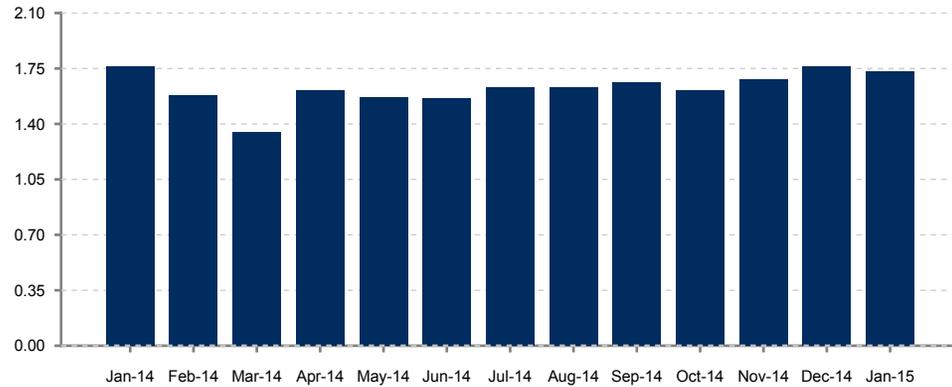


Rating Distribution





Net Yield



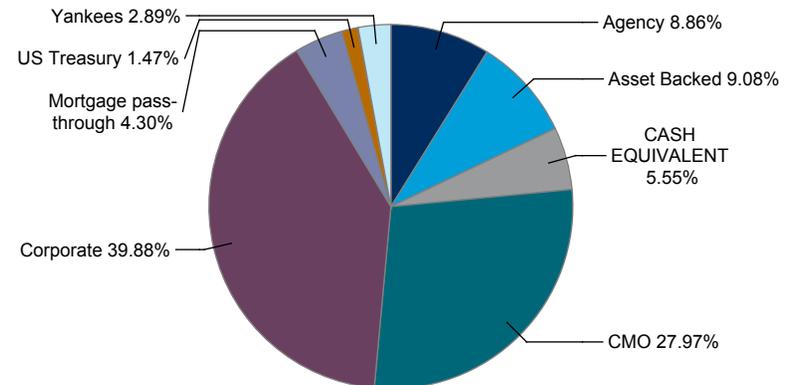
Current Mth **Prior Mth** **1 Year Ago**

POOL 16 ECDHB	1.73	1.76	1.76
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Asset Allocation

Ending Market Value

POOL 16 ECDHB	342,084,927
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Net Asset Values over Time (\$MM)

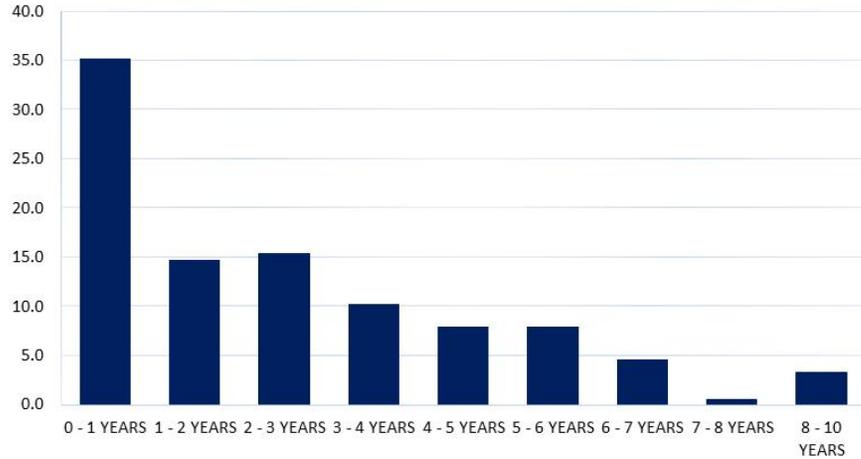


Top 10 Holdings

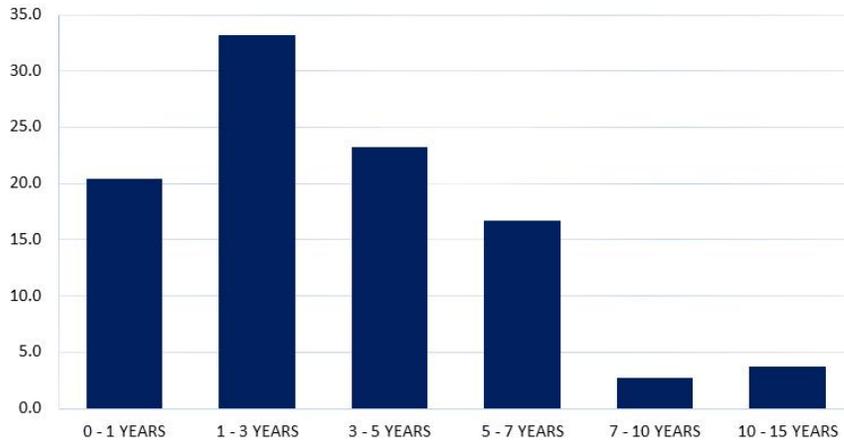
Security Name	Ending Market Value	% of Portfolio
POOL 16 ECDHB		
SOUTH STREET REPO	17,000,151	4.97
BELLSOUTH CORP	13,517,567	3.95
FREDDIE MAC	9,373,072	2.74
FREDDIEMAC STRIP	9,122,383	2.67
NATIONAL CITY BANK	6,974,337	2.04
FANNIE MAE	6,623,090	1.94
FREDDIE MAC	5,695,928	1.67
FHLMC MULTIFAMILY STRUCTURED P	5,336,245	1.56
GOVERNMENT NATIONAL MORTGAGE A	5,289,453	1.55
FREDDIE MAC	5,241,668	1.53



Duration Distribution



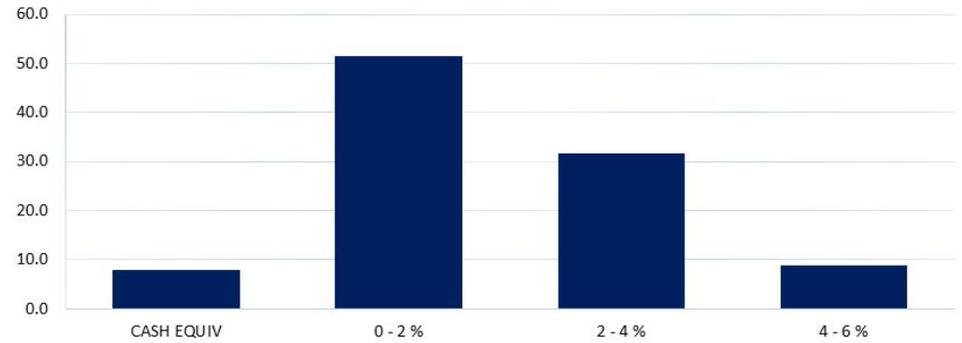
Expected Maturity Distribution



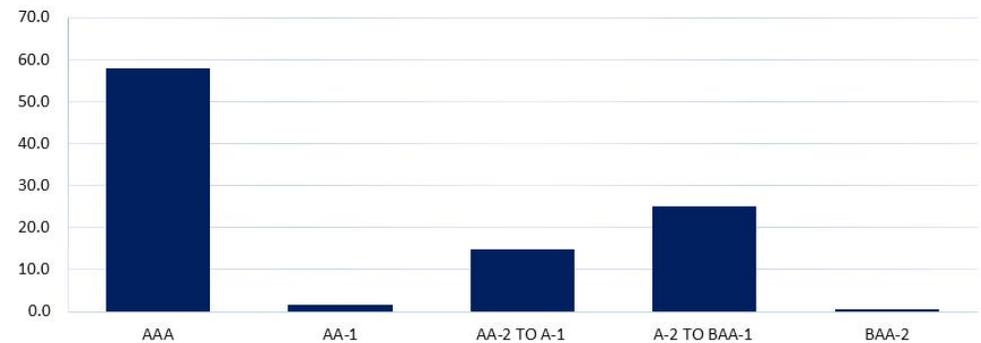
Portfolio Level Characteristics

	POOL 16 ECDHB
Weighted Average Life	3.37
Coupon	2.20
Effective Duration	2.50
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



**LGIP & LGIP- GOV
PORTFOLIO YIELD ANALYSIS
JANUARY 2015**

NET EARNINGS

FUND	DESCRIPTION	Current Month 01/31/15	Prior Month 12/31/14	Prior Year 01/31/14	Net Asset Value Per Share
5	LGIP	142,172	123,269	154,672	1.0000
7	LGIP - GOV	58,141	70,833	40,134	1.0000
	TOTAL LGIP & LGIP-GOV	200,313	194,103	194,806	

YIELDS

<u>MONTHLY</u>		Current Month 01/31/15	Prior Month 12/31/14	Prior Year 1/31/14
5	LGIP (NET)	0.15%	0.12%	0.13%
	S & P LGIP INDEX	0.05%	0.05%	0.05%
7	LGIP - GOV (NET)	0.07%	0.08%	0.05%
	3 MONTH T-BILL	0.02%	0.01%	0.04%
<u>YEAR TO DATE</u>				
5	LGIP (NET)	0.10%	0.09%	0.12%
	S & P LGIP INDEX	0.05%	0.05%	0.05%
7	LGIP - GOV (NET)	0.06%	0.06%	0.05%
	3 MONTH T-BILL	0.01%	0.01%	0.04%

* 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
JANUARY 2015**

NET EARNINGS

FUND	DESCRIPTION	Current Month 01/31/15	Prior Month 12/31/14	Prior Year 01/31/14	Net Asset Value Per Share
500	LGIP - MED TERM POOL	202,406	208,809	271,705	1.0368
700	LGIP - FF&C MED TERM POOL	110,369	110,475	150,862	1.0137
	TOTAL LGIP MEDIUM TERM POOLS	312,775	319,284	422,567	

YIELDS

MONTHLY

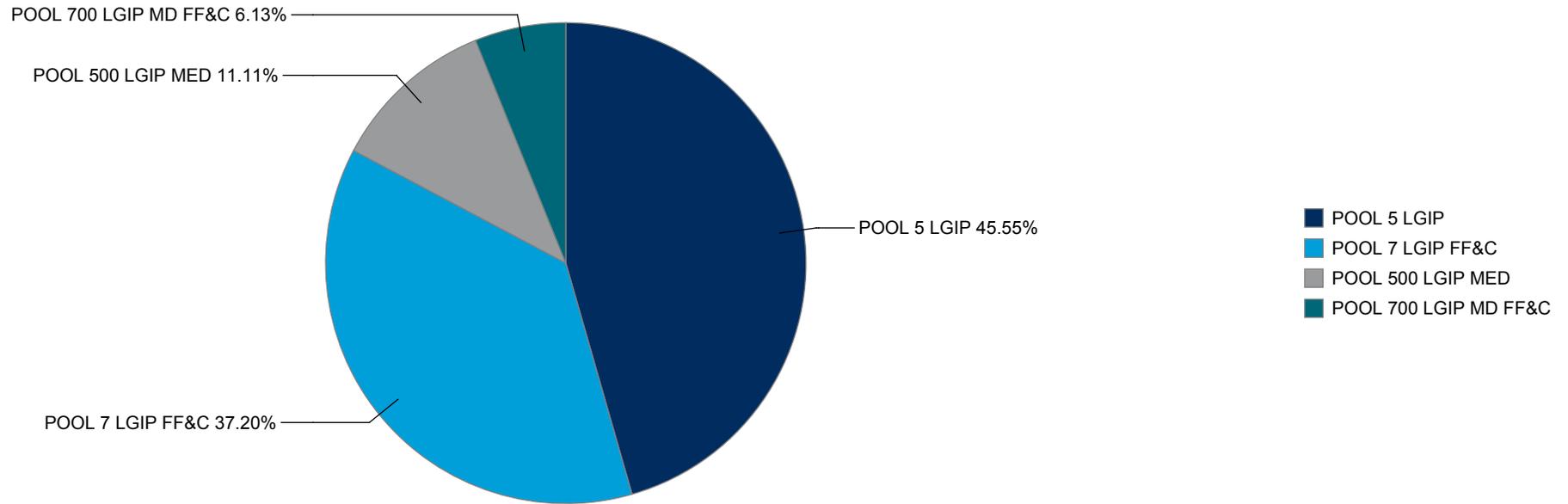
	Current Month 01/31/15	Prior Month 12/31/14	Prior Year 1/31/14
500 LGIP - MED TERM (NET)	0.90%	0.96%	1.12%
MERRILL 1-5 US D M INDEX	1.25%	1.46%	1.15%
700 LGIP - FF&C MED TERM (NET)	0.89%	0.90%	0.79%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.06%	1.35%	1.25%

YEAR TO DATE

500 LGIP - MED TERM (NET)	1.04%	1.06%	1.18%
MERRILL 1-5 US D M INDEX	1.33%	1.34%	1.21%
700 LGIP - FF&C MED TERM (NET)	0.93%	0.94%	0.88%
75% MERRILL 1-5 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	1.29%	1.33%	1.27%



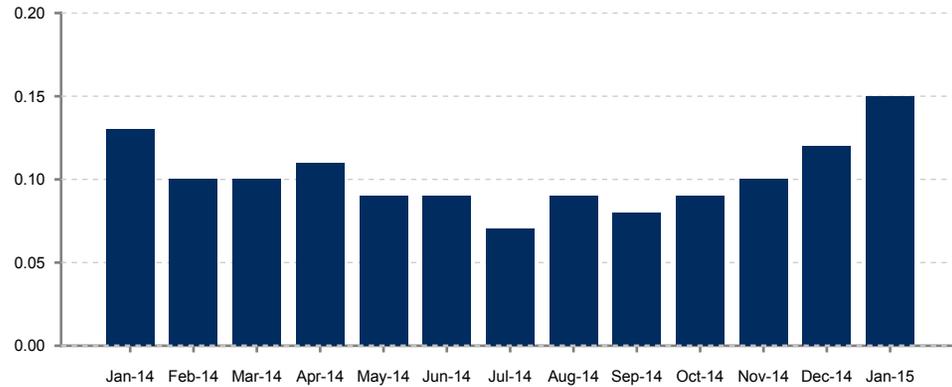
Manager Allocation



	Market Value	% of Portfolio
POOL 5 LGIP	1,087,811,890	45.6
POOL 7 LGIP FF&C	888,305,948	37.2
POOL 500 LGIP MED	265,320,363	11.1
POOL 700 LGIP MD FF&C	146,489,595	6.1
TOTAL LGIP	2,387,927,796	100.0



Net Yield

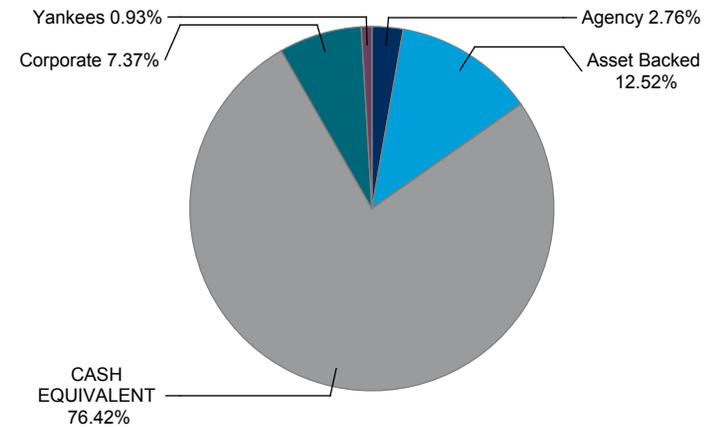


Current Mth **Prior Mth** **1 Year Ago**

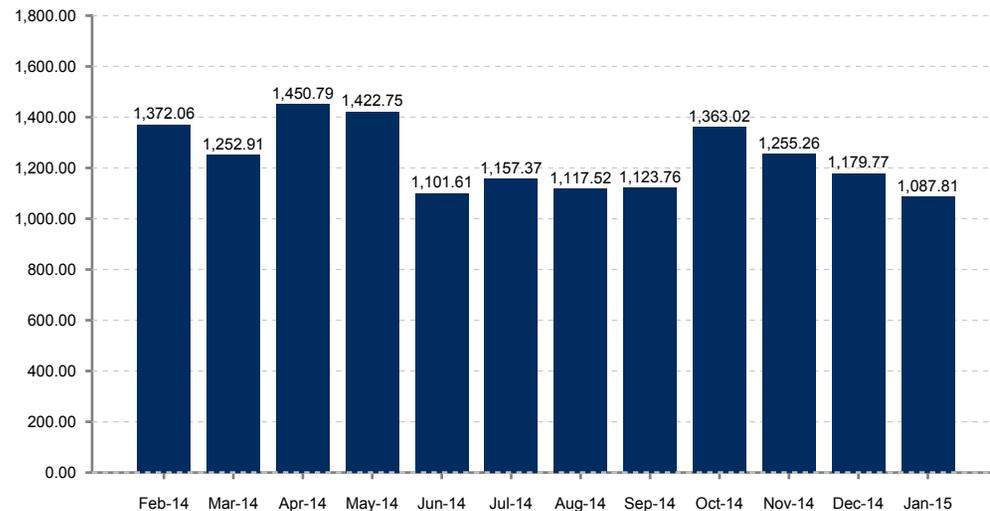
POOL 5 LGIP	0.15	0.12	0.13
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Asset Allocation

	Ending Market Value
POOL 5 LGIP	1,087,811,890



Net Asset Values over Time (\$MM)

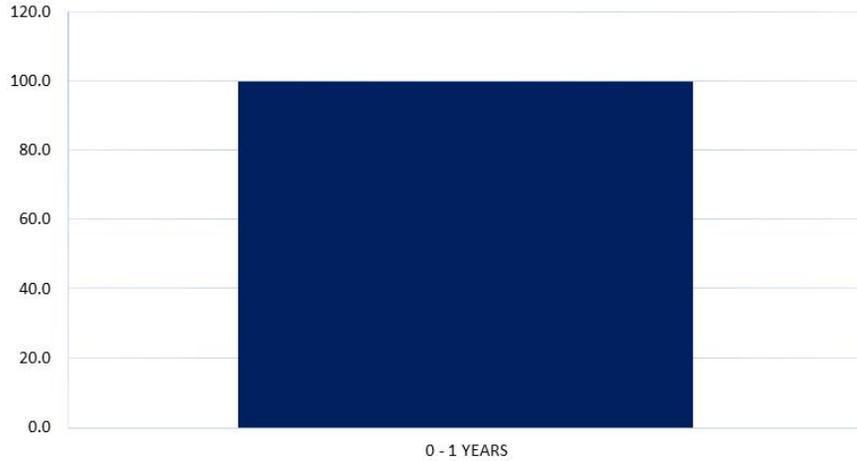


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 5 LGIP		
BANK OF AMERICA REPO	73,886,068	6.79
LEXINGTN PKR CAP CO LL	39,948,192	3.67
CONCORD MIN CPTL CO	34,986,583	3.22
WHITE POINT FDG INC	29,999,750	2.76
VICTORY RECEIVABLES	29,997,600	2.76
GOTHAM FDG CORP	29,997,308	2.76
LIBERTY FUNDING LLC	29,988,758	2.76
CROWN POINT CAP CO.	24,990,417	2.30
SUMITOMO MTSU BKG CORP	24,988,500	2.30
FDIC ALLIANCE BANK OF ARIZONA	22,190,257	2.04



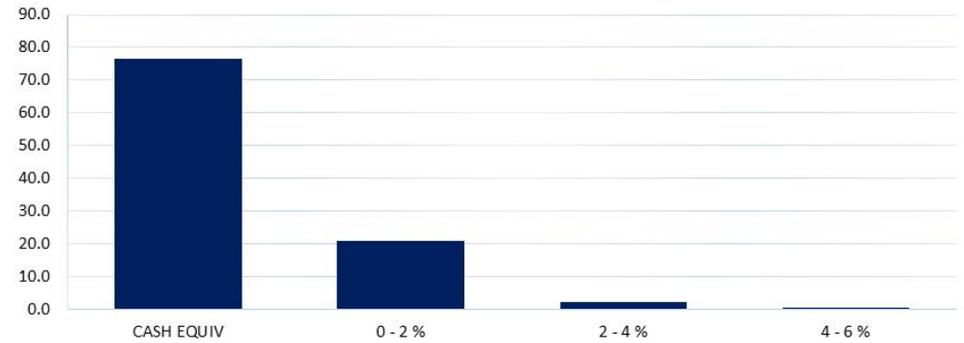
Duration Distribution



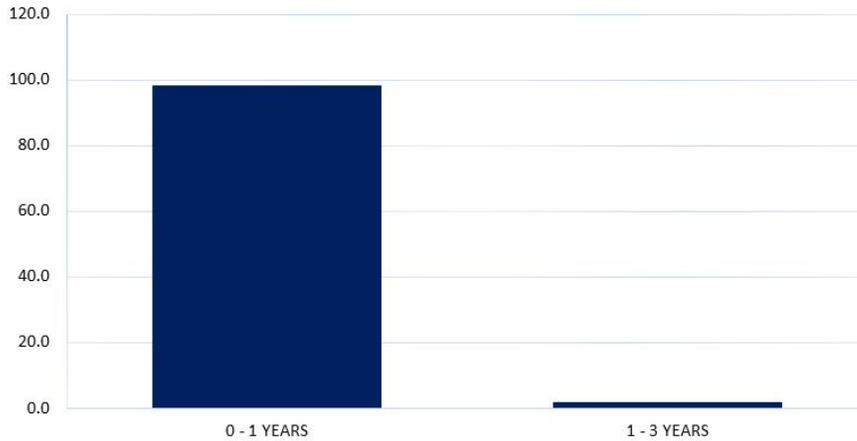
Portfolio Level Characteristics

	POOL 5 LGIP
Weighted Average Life	0.17
Coupon	0.25
Effective Duration	0.16
Quality Rating (Moody's)	AAA

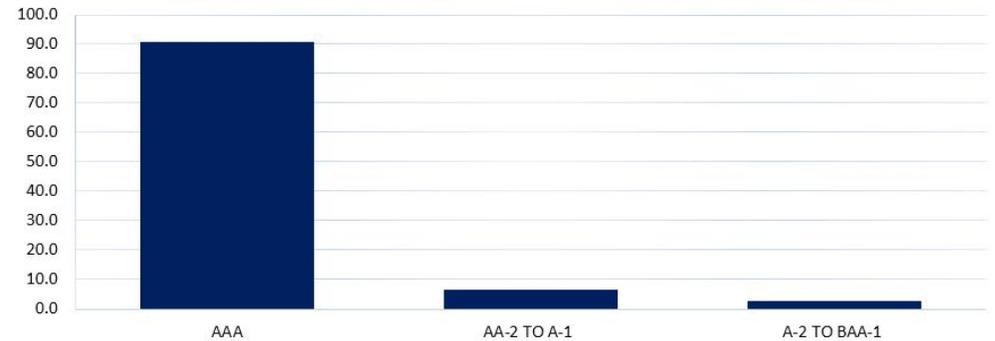
Coupon Distribution



Expected Maturity Distribution

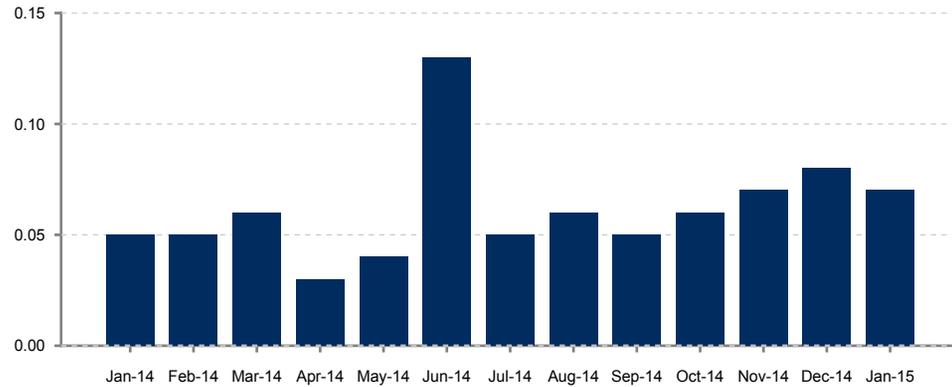


Rating Distribution





Net Yield

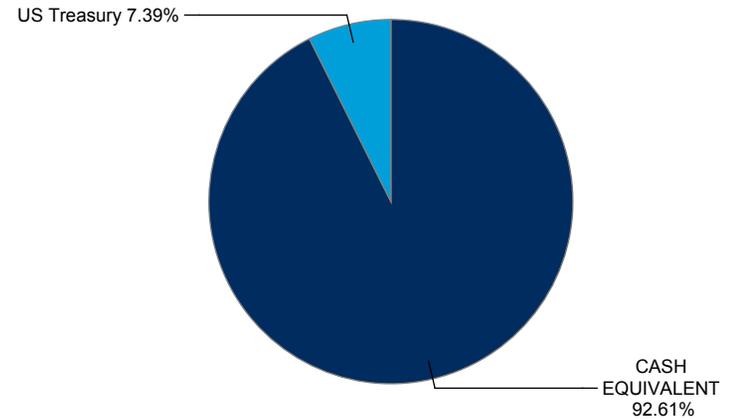


Current Mth **Prior Mth** **1 Year Ago**

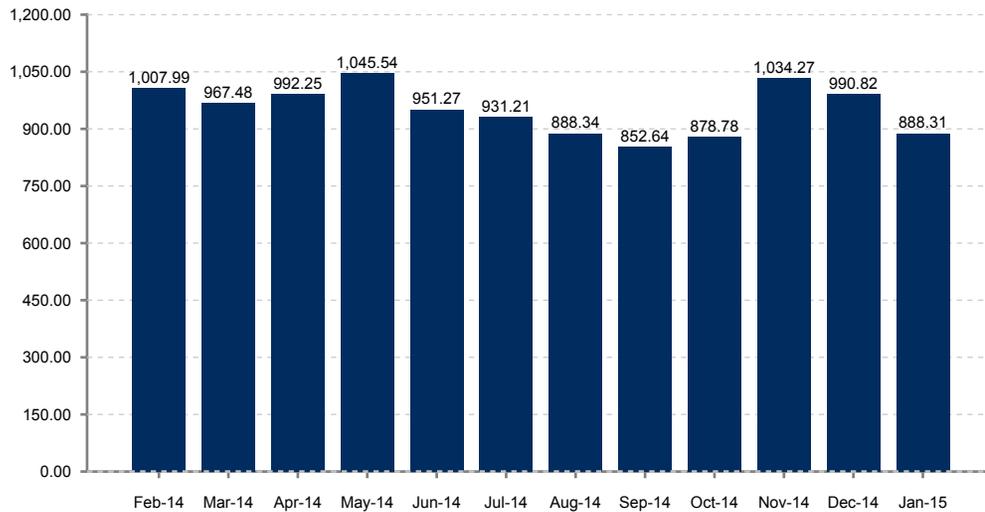
POOL 7 LGIP FF&C	0.07	0.08	0.05
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Asset Allocation

	Ending Market Value
POOL 7 LGIP FF&C	888,305,948



Net Asset Values over Time (\$MM)

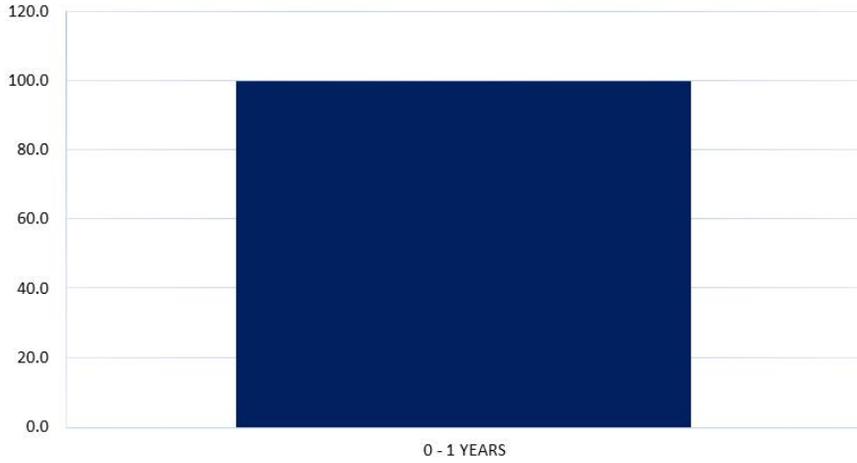


Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 7 LGIP FF&C		
WELLS FARGO REPO	300,002,000	33.77
SOUTH STREET REPO	145,220,795	16.35
GUGGENHEIM SECURITIES REPO	100,005,778	11.26
DAIWA CAPITAL MARKETS REPO	100,000,778	11.26
ALLIANCE BANK OF ARIZONA MONEY	98,232,955	11.06
TREASURY BILL	44,998,200	5.07
US TREASURY FRN	25,001,258	2.81
US TREASURY N/B	10,417,422	1.17
US TREASURY N/B	10,112,500	1.14
US TREASURY N/B	10,111,803	1.14



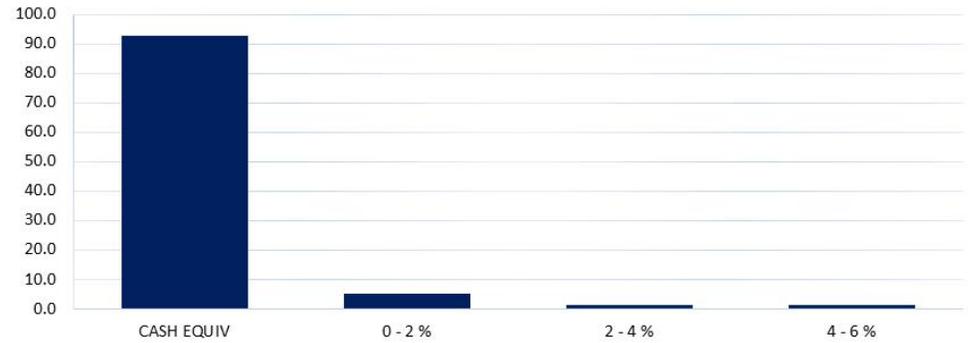
Duration Distribution



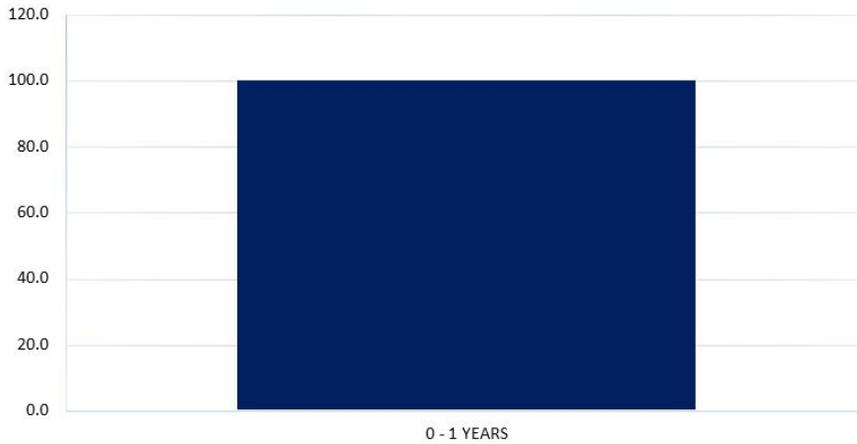
Portfolio Level Characteristics

	POOL 7 LGIP FF&C
Weighted Average Life	0.07
Coupon	0.26
Effective Duration	0.04
Quality Rating (Moody's)	AAA

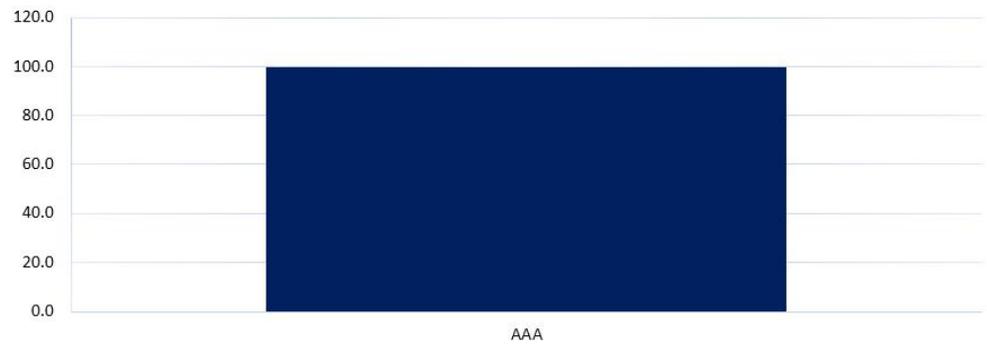
Coupon Distribution



Expected Maturity Distribution

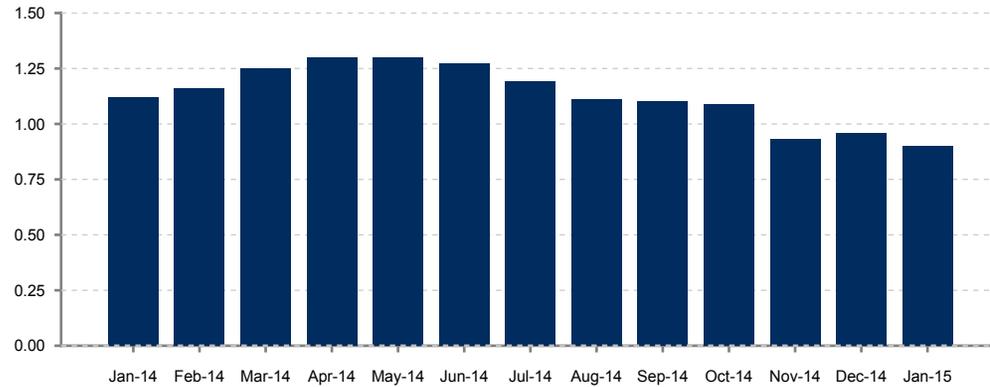


Rating Distribution





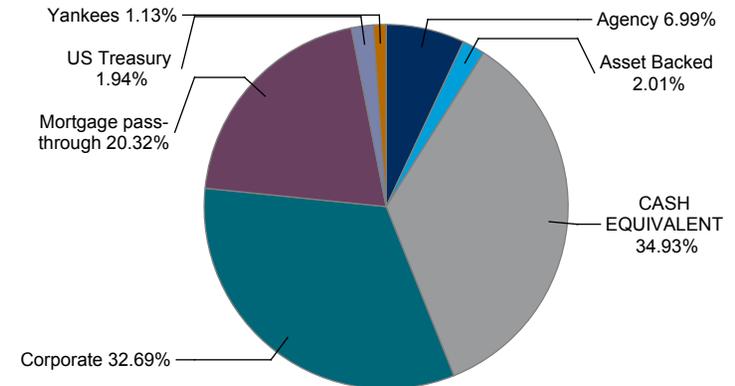
Net Yield



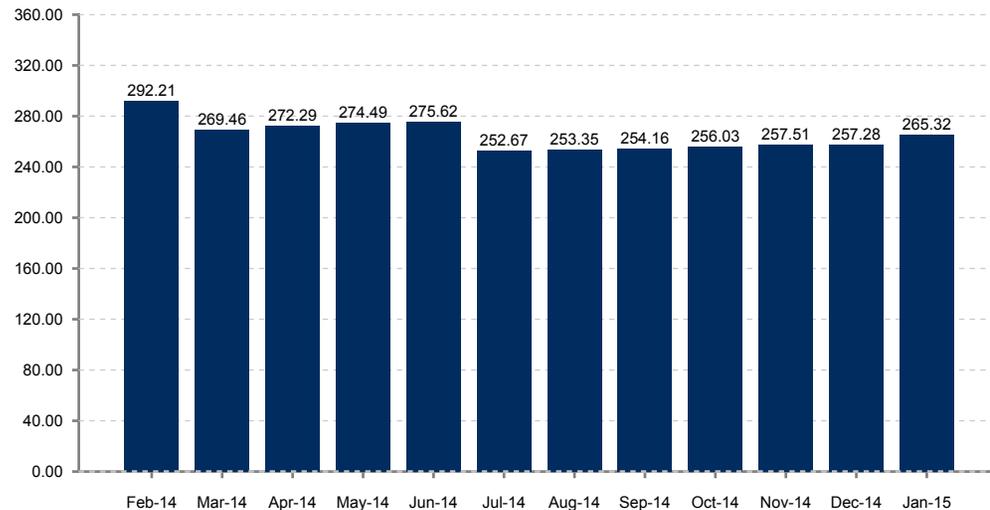
	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	0.90	0.96	1.12

Asset Allocation

	Ending Market Value
POOL 500 LGIP MED	265,320,363



Net Asset Values over Time (\$MM)

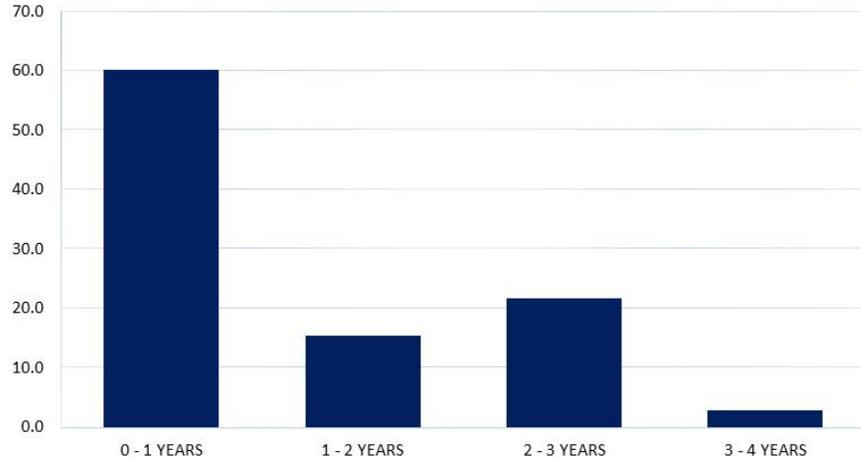


Top 10 Holdings

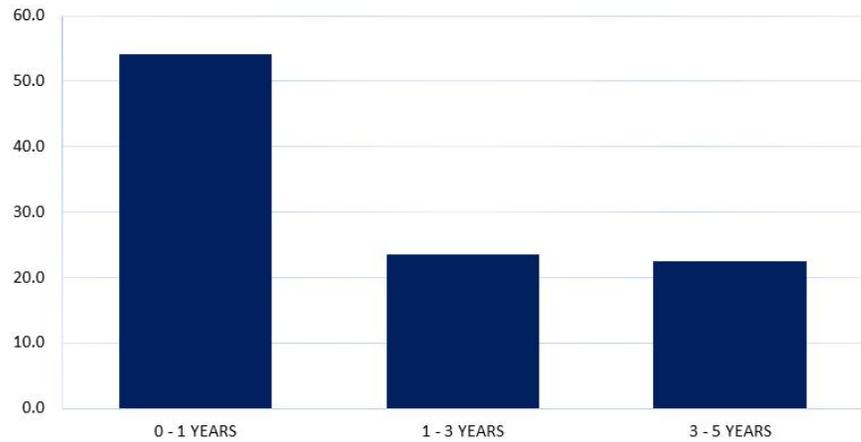
Security Name	Ending Market Value	% of Portfolio
POOL 500 LGIP MED		
SOUTH STREET REPO	46,505,565	17.53
SOUTH STREET REPO	28,495,070	10.74
FNMA POOL AB5991	10,957,355	4.13
FNMA POOL AE7578	6,630,632	2.50
FANNIE DISCOUNT NOTE	5,158,292	1.94
SWEDBANK	4,999,644	1.88
CHARIOT FNDG LLC	4,991,956	1.88
FED HM LN PC POOL G18465	4,362,343	1.64
SAMSUNG ELECTRON AMERICA	4,059,927	1.53
FNMA POOL AB1959	3,642,831	1.37



Duration Distribution



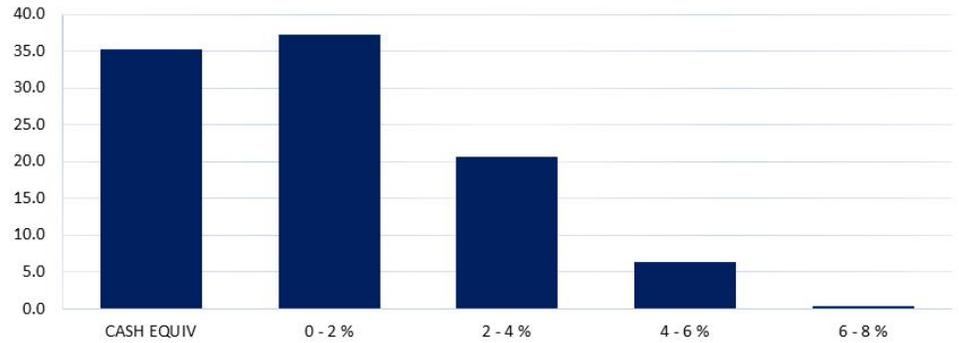
Expected Maturity Distribution



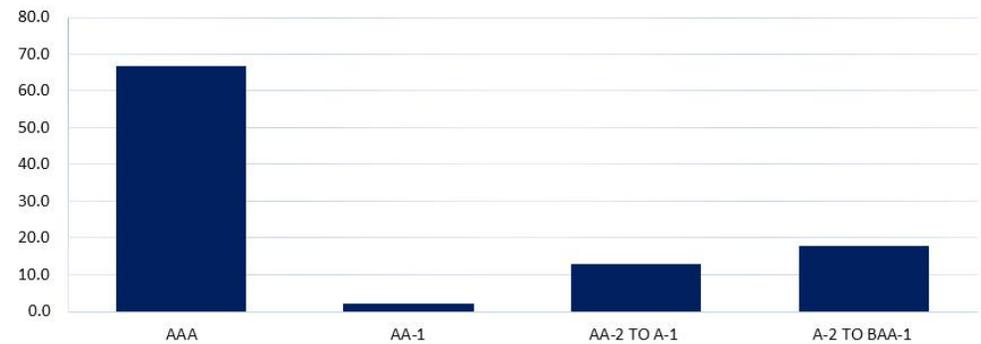
Portfolio Level Characteristics

	POOL 500 LGIP MED
Weighted Average Life	1.38
Coupon	1.91
Effective Duration	0.98
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution





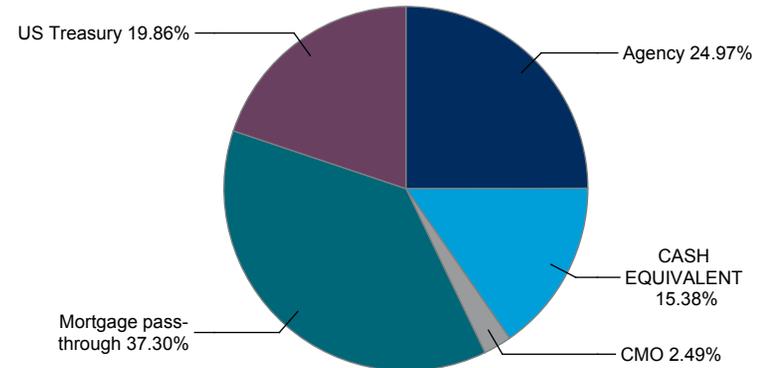
Net Yield



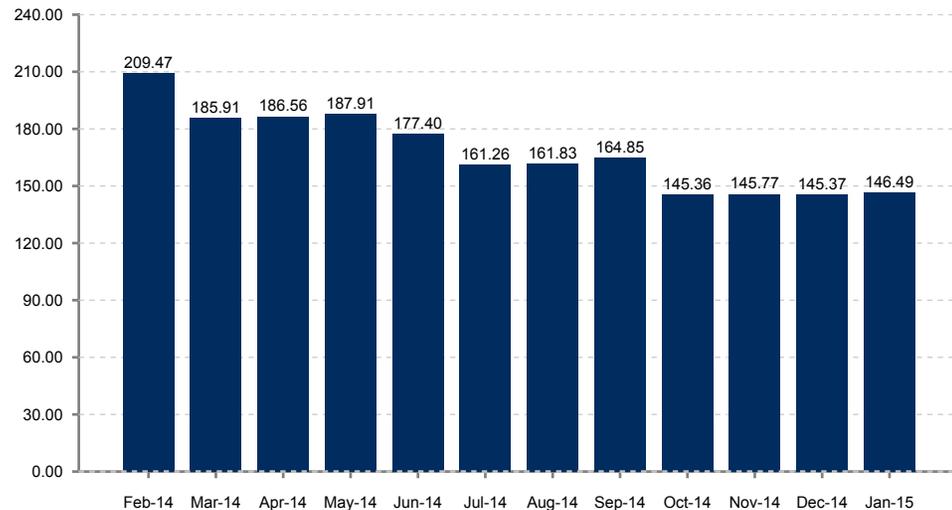
	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	0.89	0.90	0.79

Asset Allocation

	Ending Market Value
POOL 700 LGIP MD FF&C	146,489,595



Net Asset Values over Time (\$MM)

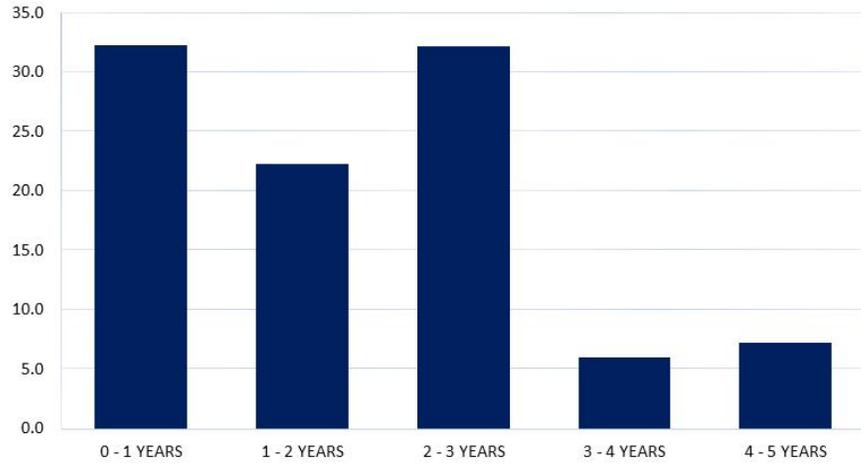


Top 10 Holdings

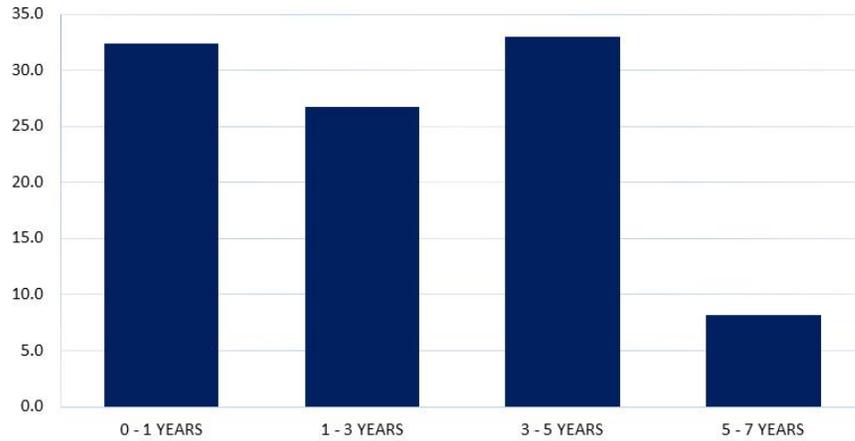
Security Name	Ending Market Value	% of Portfolio
POOL 700 LGIP MD FF&C		
FDIC US BANK CDARS ACCOUNT	15,159,891	10.35
HOUSING URBAN DEVELOPMNT	9,379,692	6.40
GNMA II POOL MA0213	6,497,387	4.44
US TREASURY N/B	5,271,622	3.60
GNMA II POOL 004849	5,246,336	3.58
US TREASURY N/B	5,013,929	3.42
SOUTH STREET REPO	5,000,039	3.41
AID ISRAEL	4,937,975	3.37
NCUA GUARANTEED NOTES	4,055,637	2.77
AID EGYPT	3,828,784	2.61



Duration Distribution



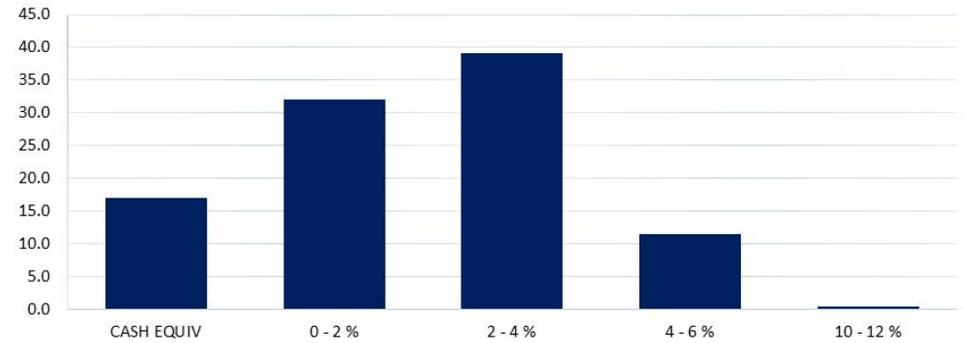
Expected Maturity Distribution



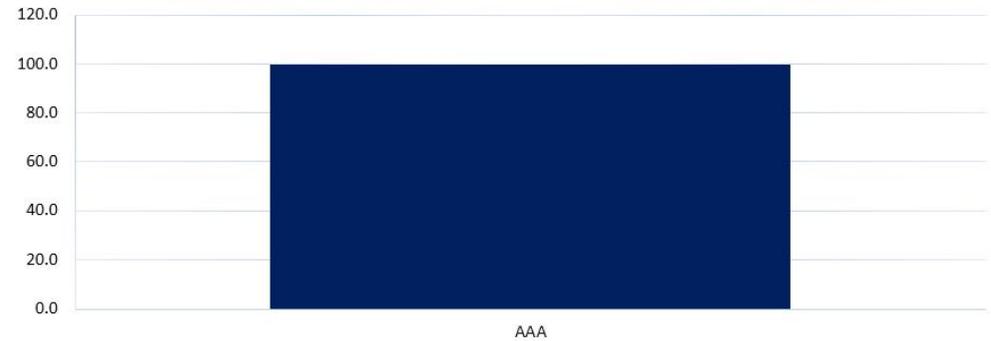
Portfolio Level Characteristics

	POOL 700 LGIP MD FF&C
Weighted Average Life	2.36
Coupon	2.39
Effective Duration	1.78
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



**EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
JANUARY 2015**

Distributed in Current Month

Recipient	JANUARY 2015	Fiscal YTD 14/15	Fiscal YTD 13/14
101 A & M Colleges	\$18,997	\$132,978	\$124,689
102 State Hospital	\$11,534	\$80,741	\$73,873
103 Leg., Exec., & Jud.	\$15,436	\$108,051	\$100,567
104 Military Institute	\$1,065	\$7,457	\$7,024
105 Miners Hospital	\$32,415	\$226,904	\$194,258
107 Normal School ASU/NAU	\$6,839	\$47,872	\$43,527
108 Penitentiaries	\$23,538	\$164,766	\$143,507
109 Permanent Common School	\$6,332,035	\$44,324,248	\$39,539,388
110 School for Deaf & Blind	\$9,692	\$67,842	\$62,222
111 School of Mines	\$21,500	\$150,497	\$140,964
112 State Charitable-Pioneers Home	\$103,941	\$727,584	\$686,535
112 State Charitable-Corrections	\$51,970	\$363,792	\$343,268
112 State Charitable-Youth Treatment	\$51,970	\$363,792	\$343,268
113 University Fund	\$35,752	\$250,265	\$232,186
114 U of A Land - 1881	\$94,102	\$658,715	\$567,087
Total	\$6,810,786	\$47,675,501	\$42,602,364

Posted in USAS in current month

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Jan-15 NET GAIN(LOSS)	Jan-14 NET GAIN(LOSS)
----- Fixed Income Pool	(249,198)	(182,190)
500 Large-Cap Fund	5,884,275	40
400 Mid-Cap Fund	5,980,830	3,916,531
600 Small-Cap Fund	3,900,507	1,655,085
Totals	15,516,415	5,389,466

Endowment Fund	2014/2015 FISCAL YEAR TO DATE GAINS(LOSSES)	2013/ 2014 FISCAL YEAR TO DATE GAINS(LOSSES)
----- Fixed Income Pool	(1,555,890)	(1,418,383)
500 Large-Cap Fund	19,924,661	41,708,138
400 Mid-Cap Fund	24,906,290	47,959,030
600 Small-Cap Fund	15,669,461	14,571,293
Totals	58,944,522	102,820,078

**ENDOWMENT FUNDS FIXED-INCOME POOL
PURCHASES & SALES
JANUARY 2015**

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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>
FNR MTG	3.00	3/25/2035	12.78	\$5,000,000	\$5,115,573	2.79%	Aaa/AA+
FNR MTG	3.00	3/25/2035	12.62	\$5,692,273	\$5,899,685	2.67%	Aaa/AA+
TRANS CANADA	1.88	1/12/2018	NA	\$2,000,000	\$1,999,004	1.89%	A3/A-
TRANS CANADA	1.88	1/12/2018	NA	\$3,000,000	\$2,990,520	1.98%	A3/A-
US TREASURY	2.25	11/15/2024	NA	\$2,500,000	\$2,637,861	1.69%	Aaa/AA+
US TREASURY	5.25	2/15/2029	NA	\$5,000,000	\$7,068,147	2.04%	Aaa/AA+
US TREASURY	5.50	8/15/2028	NA	\$5,000,000	\$7,170,414	2.03%	Aaa/AA+

TOTAL ENDOWMENT FUNDS PURCHASES

\$28,192,273 **\$32,881,205**

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 TREASURY	0.38	1/15/2016	\$10,000,000	\$10,019,268	12,503	Aaa/AA+
US TREASURY	0.25	10/31/2015	\$10,000,000	\$10,012,763	10,546	Aaa/AA+

TOTAL ENDOWMENT FUNDS SALES

\$20,000,000 **\$20,032,031** **\$23,049**

*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
JANUARY 2015**

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I. Equity Fund Purchases

	<u>SHARES</u>	<u>PURCHASE COST</u>	<u>COMMISSIONS</u>
400 Mid-Cap Fund	257,879	\$16,389,036	\$1,632
500 Large-Cap Fund	153,981	\$12,038,191	\$1,155
600 Small-Cap Fund	506,206	\$11,297,353	\$3,483
TOTAL EQUITY PURCHASES	918,066	\$39,724,580	\$6,270

II. Equity Funds Sales

	<u>SHARES</u>	<u>SALES AMOUNT</u>	<u>COMMISSIONS</u>
400 Mid-Cap Fund	235,791	\$17,444,780	\$926
500 Large-Cap Fund	86,030	\$7,260,857	\$49
600 Small-Cap Fund	165,523	\$11,863,008	\$1,007
TOTAL EQUITY SALES	487,344	\$36,568,645	\$1,981

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

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JANUARY 31, 2015
(In Thousands)

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>	489	3,442	7,679	4,237	
	<i>Shares in Fixed Income Pools</i>	4,429	3,098	4,768	1,670	
	Total	4,918	6,540	12,447	5,907	1.903
102	State Hospital					
	<i>Shares in Equity Pools</i>	324	2,350	5,081	2,730	
	<i>Shares in Fixed Income Pools</i>	2,817	2,093	3,032	939	
	Total	3,140	4,443	8,113	3,670	1.826
103	Leg., Exec. & Jud					
	<i>Shares in Equity Pools</i>	393	2,957	6,172	3,215	
	<i>Shares in Fixed Income Pools</i>	3,782	2,647	4,073	1,425	
	Total	4,175	5,604	10,245	4,641	1.828
104	Military Institute					
	<i>Shares in Equity Pools</i>	26	187	403	216	
	<i>Shares in Fixed Income Pools</i>	253	168	272	104	
	Total	279	355	675	320	1.901
105	Miners Hospital					
	<i>Shares in Equity Pools</i>	1,115	9,854	17,494	7,640	
	<i>Shares in Fixed Income Pools</i>	9,825	8,373	10,578	2,205	
	Total	10,940	18,227	28,072	9,845	1.540
107	Normal School ASU/NAU					
	<i>Shares in Equity Pools</i>	190	1,437	2,976	1,538	
	<i>Shares in Fixed Income Pools</i>	1,731	1,280	1,864	584	
	Total	1,921	2,717	4,839	2,122	1.781
108	Penitentiaries					
	<i>Shares in Equity Pools</i>	725	5,841	11,373	5,532	
	<i>Shares in Fixed Income Pools</i>	6,569	5,214	7,073	1,859	
	Total	7,294	11,055	18,446	7,391	1.669

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**

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JANUARY 31, 2015
(In Thousands)

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>	183,591	1,450,461	2,880,966	1,430,505	
<i>Shares in Fixed Income Pools</i>	1,642,906	1,302,757	1,768,810	466,053	
Total	1,826,496	2,753,218	4,649,776	1,896,558	1.689
110 School for Deaf & Blind					
<i>Shares in Equity Pools</i>	259	1,947	4,066	2,120	
<i>Shares in Fixed Income Pools</i>	2,424	1,730	2,610	879	
Total	2,683	3,677	6,676	2,999	1.816
111 School of Mines					
<i>Shares in Equity Pools</i>	547	4,092	8,585	4,493	
<i>Shares in Fixed Income Pools</i>	5,075	3,685	5,464	1,779	
Total	5,622	7,777	14,049	6,272	1.806
112 State Charitable					
<i>Shares in Equity Pools</i>	5,487	41,082	86,098	45,017	
<i>Shares in Fixed Income Pools</i>	48,209	37,483	51,903	14,420	
Total	53,695	78,565	138,001	59,437	1.757
113 University Fund					
<i>Shares in Equity Pools</i>	987	7,766	15,491	7,724	
<i>Shares in Fixed Income Pools</i>	9,156	6,821	9,857	3,036	
Total	10,143	14,588	25,348	10,760	1.738
114 U Of A Land - 1881					
<i>Shares in Equity Pools</i>	3,411	31,296	53,527	22,231	
<i>Shares in Fixed Income Pools</i>	31,299	26,078	33,697	7,620	
Total	34,710	57,373	87,224	29,851	1.520
TOTALS - ALL FUNDS					
<i>Shares in Equity Pools</i>	197,543	1,562,712	3,099,911	1,537,199	
<i>Shares in Fixed Income Pools</i>	1,768,475	1,401,427	1,904,002	502,575	
Grand Total	1,966,017	2,964,139	5,003,913	2,039,774	
PRIOR YEAR:					
JANUARY 2014 BALANCES	1,944,592	2,901,358	4,543,327	1,641,969	

**ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING**
JANUARY 31, 2015

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ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	JANUARY 2014 MARKET VALUE
<i>Shares in Equity Pools</i>	10.05%	52.72%	61.95%	60.32%
<i>Shares in Fixed Income Pools</i>	89.95%	47.28%	38.05%	39.68%
	-----	-----	-----	-----
Total	100.00%	100.00%	100.00%	100.00%
	=====	=====	=====	=====



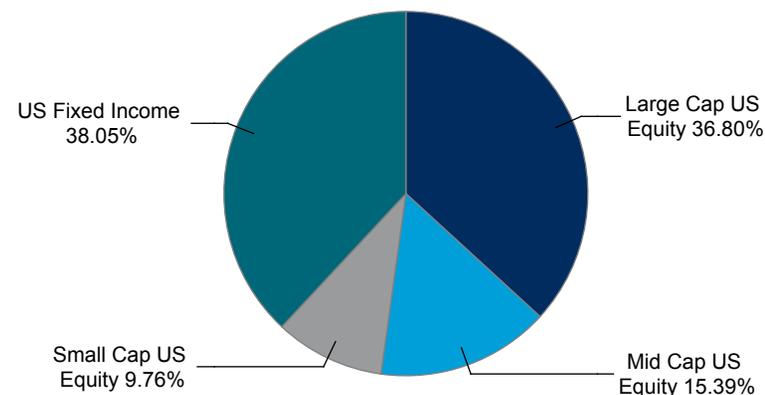
Performance



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Incept Date
TOTAL ENDOWMENT	-1.07	0.67	-1.07	8.99	11.25	10.55	6.26	07/99
TOTAL ENDOWMENT CUSTOM INDEX	-0.83	1.04	-0.83	10.17	11.92			07/99
Excess	-0.24	-0.37	-0.24	-1.18	-0.67			

Asset Allocation

	Ending Market Value
TOTAL ENDOWMENT	5,003,912,687



Ending Market Value



— TOTAL ENDOWMENT

3 Year Risk Statistics

	Return	Portfolio Std Dev	Benchmark Std Dev	Sharpe Ratio	Beta	Tracking Error	Information Ratio
TOTAL ENDOWMENT	11.25	5.98	5.99	1.87	1.00	0.29	-2.26



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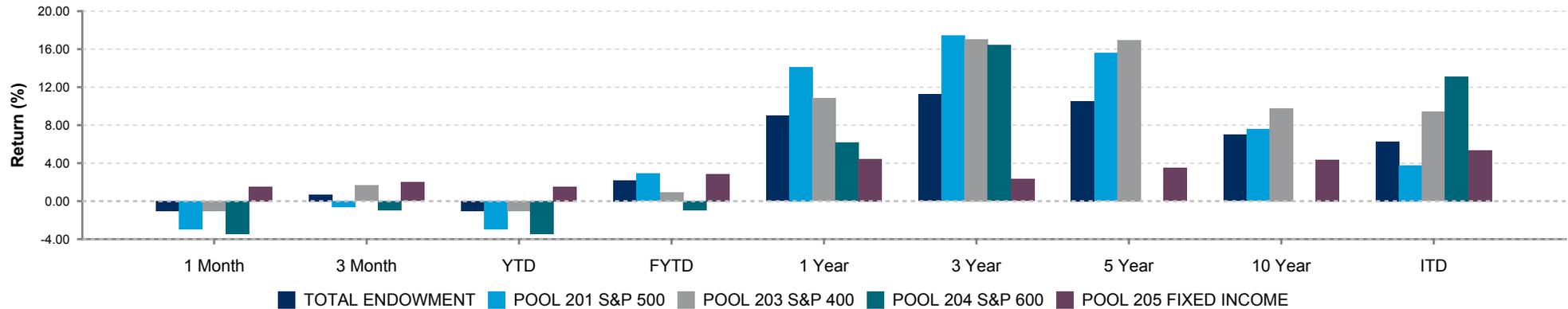
January 31, 2015

Total Returns Net Mgr



STATE STREET

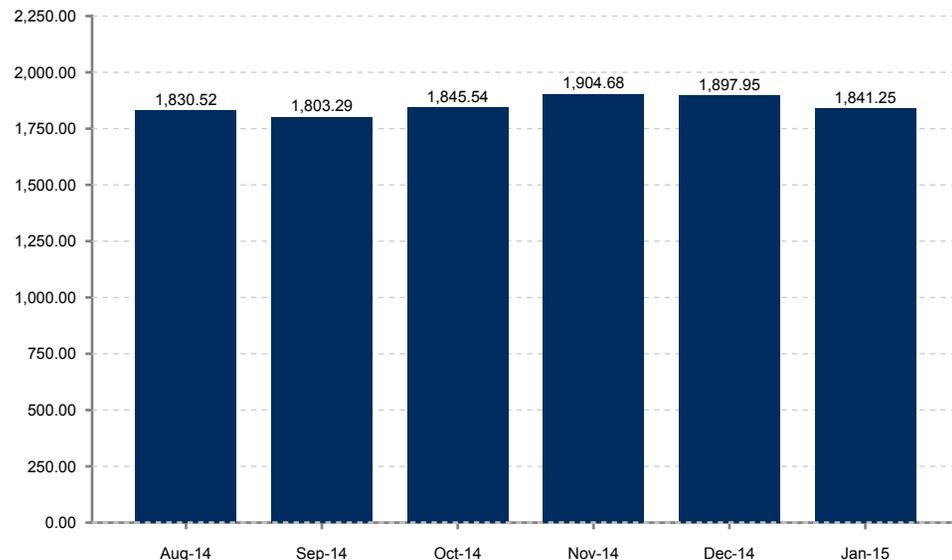
Return Comparison



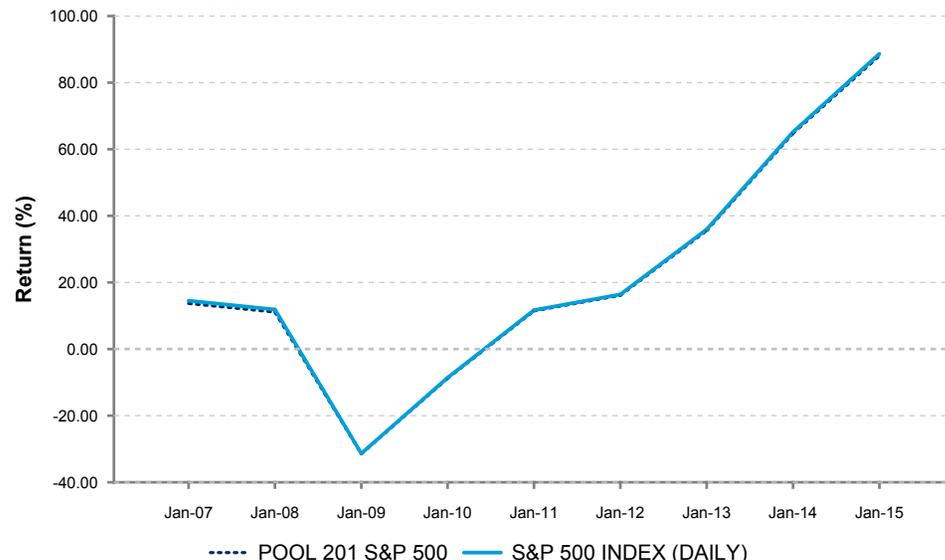
	Market Value	Actual Weight	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	10 Year	ITD	Inc Date
TOTAL ENDOWMENT	5,003,912,687	100.00	-1.07	0.67	-1.07	2.19	8.99	11.25	10.55	6.99	6.26	Jul-01-99
TOTAL ENDOWMENT CUSTOM INDEX			-0.83	1.04	-0.83	2.83	10.17	11.92				Jul-01-99
Excess			-0.24	-0.37	-0.24	-0.64	-1.18	-0.67				
POOL 201 S&P 500	1,841,253,261	36.80	-2.99	-0.64	-2.99	2.92	14.14	17.43	15.57	7.56	3.79	Jul-01-99
S&P 500 INDEX (DAILY)			-3.00	-0.64	-3.00	2.93	14.22	17.47	15.60	7.61	4.37	Jul-01-99
Excess			0.01	0.01	0.01	-0.01	-0.08	-0.03	-0.03	-0.05	-0.58	
POOL 203 S&P 400	770,109,995	15.39	-1.05	1.65	-1.05	0.95	10.84	17.04	16.94	9.80	9.39	Aug-01-01
S&P 400 MIDCAP INDEX (DAILY)			-1.12	1.54	-1.12	0.97	10.89	17.01	17.04	9.86	9.41	Aug-01-01
Excess			0.08	0.11	0.08	-0.02	-0.05	0.03	-0.10	-0.06	-0.02	
POOL 204 S&P 600	488,547,630	9.76	-3.46	-0.93	-3.46	-1.00	6.14	16.41			13.12	Mar-01-11
S&P SM 600 TR			-3.49	-1.01	-3.49	-1.12	6.15	16.33			13.10	Mar-01-11
Excess			0.04	0.08	0.04	0.13	-0.01	0.08			0.02	
POOL 205 FIXED INCOME	1,904,001,800	38.05	1.52	1.99	1.52	2.84	4.44	2.30	3.48	4.35	5.35	Jul-01-99
CITIGROUP BIG (DAILY)			2.07	2.86	2.07	4.04	6.56	3.05	4.51	4.95	5.73	Jul-01-99
Excess			-0.55	-0.87	-0.55	-1.21	-2.12	-0.75	-1.04	-0.60	-0.38	



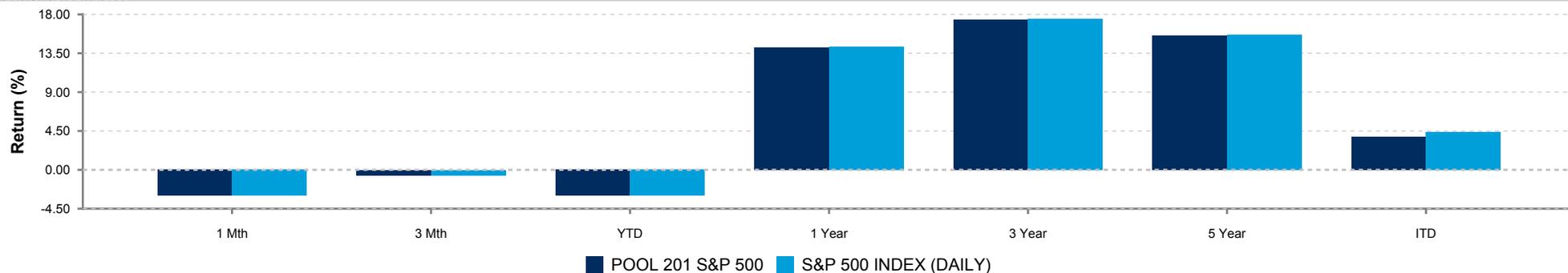
Net Asset Values over Time (\$MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Jan 31 2015	Jan 31 2014	Jan 31 2013
POOL 201 S&P 500	-2.99	-0.64	-2.99	14.14	17.43	15.57	3.79	14.14	21.52	16.76
S&P 500 INDEX (DAILY)	-3.00	-0.64	-3.00	14.22	17.47	15.60	4.37	14.22	21.52	16.78
Excess	0.01	0.01	0.01	-0.08	-0.03	-0.03	-0.58	-0.08	0.00	-0.02

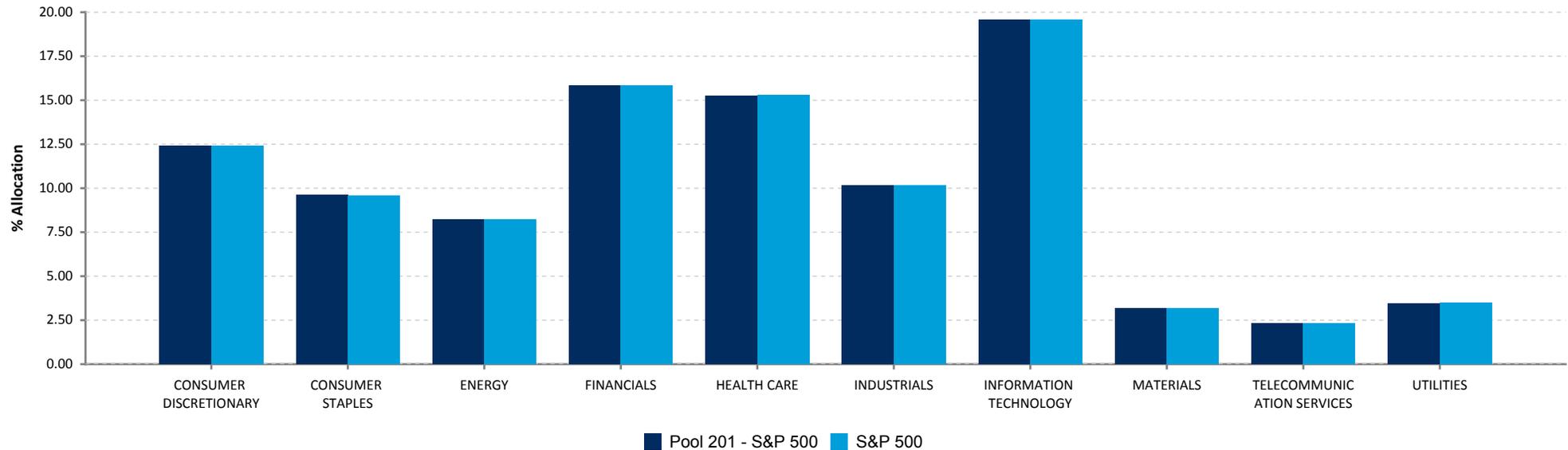
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January 31, 2015

POOL 201 S&P 500
Sector Allocation vs S&P 500



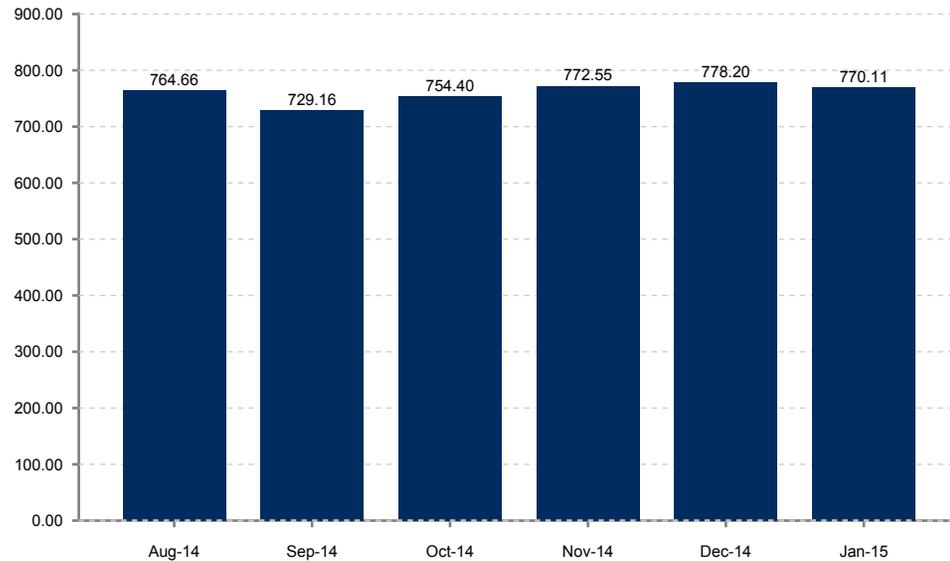
STATE STREET.



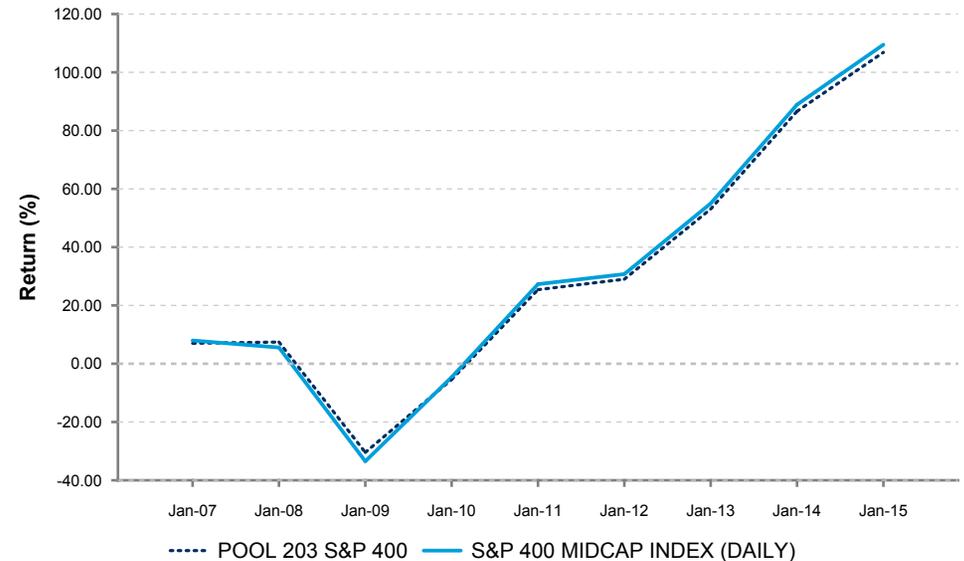
	Fund Weight	Benchmark Weight	Relative Weight
POOL 201 S&P 500	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.42	12.42	0.00
CONSUMER STAPLES	9.46	9.44	0.02
ENERGY	8.38	8.38	-0.01
FINANCIALS	16.48	16.48	0.00
HEALTH CARE	14.54	14.55	-0.01
INDUSTRIALS	10.27	10.26	0.01
INFORMATION TECHNOLOGY	19.73	19.75	-0.02
MATERIALS	3.15	3.15	0.00
TELECOMMUNICATION SERVICES	2.28	2.28	-0.00
UTILITIES	3.29	3.29	0.00



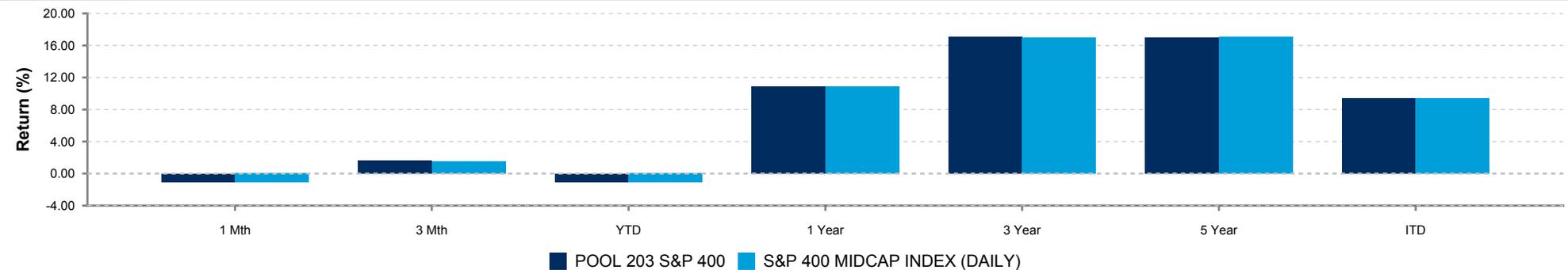
Net Asset Values over Time (\$MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Jan 31 2015	Jan 31 2014	Jan 31 2013
POOL 203 S&P 400	-1.05	1.65	-1.05	10.84	17.04	16.94	9.39	10.84	21.91	18.66
S&P 400 MIDCAP INDEX (DAILY)	-1.12	1.54	-1.12	10.89	17.01	17.04	9.41	10.89	21.87	18.56
Excess	0.08	0.11	0.08	-0.05	0.03	-0.10	-0.02	-0.05	0.05	0.11

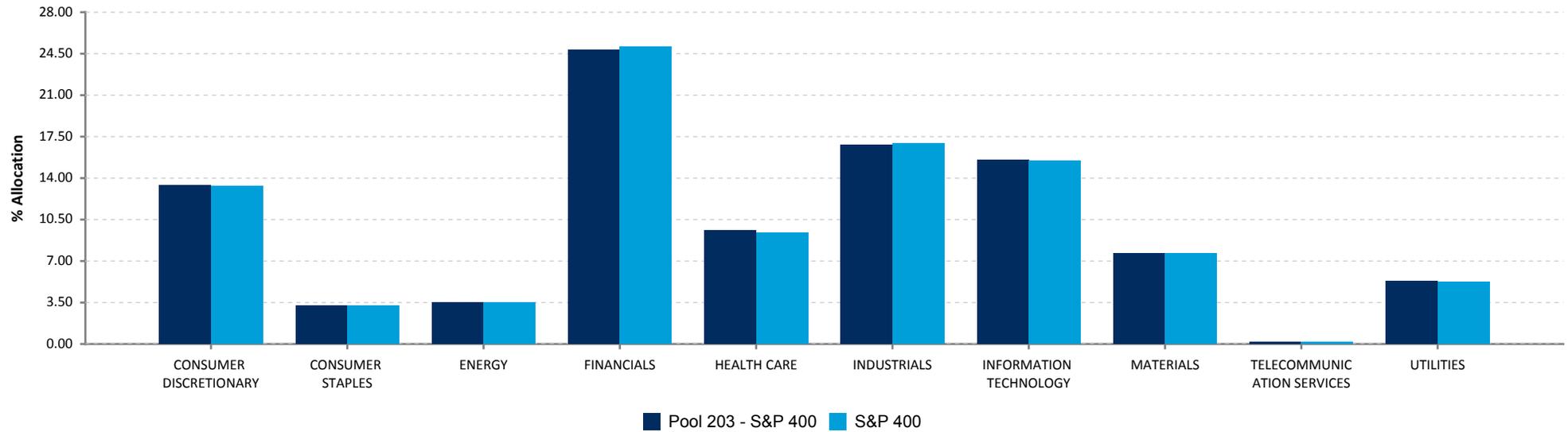
OFFICE OF THE ARIZONA STATE TREASURER

January 31, 2015

POOL 203 S&P 400
Sector Allocation vs S&P MID CAP 400



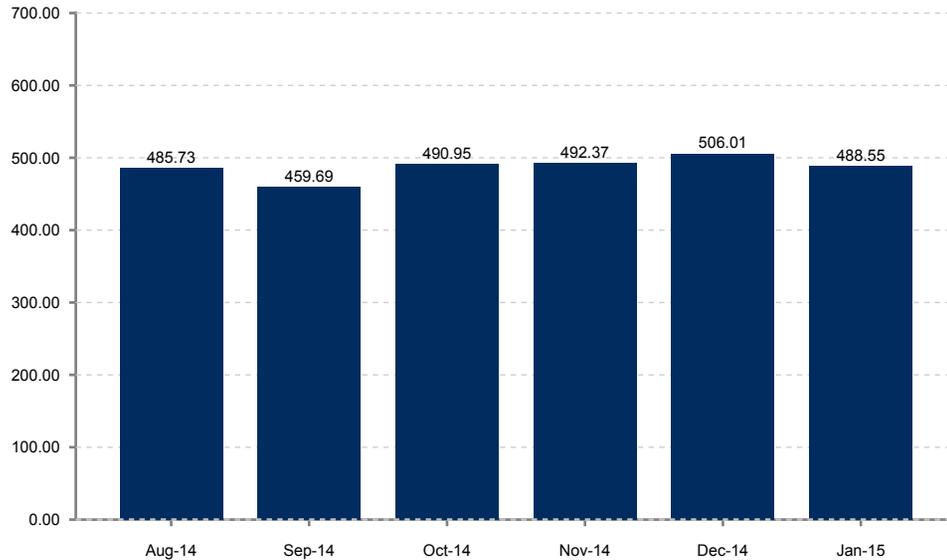
STATE STREET.



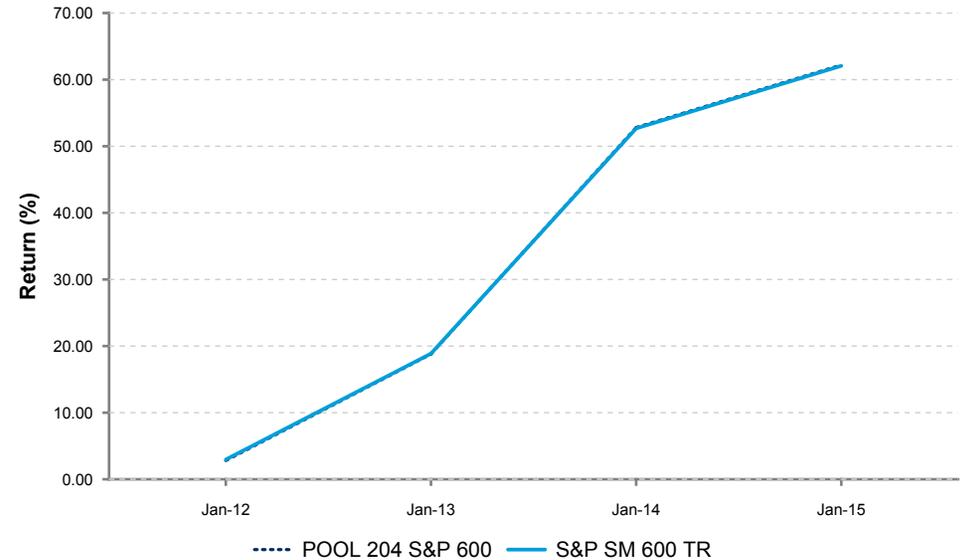
	Weight Fund	Weight Benchmark	Weight Relative
POOL 203 S&P 400	100.00	100.00	0.00
CONSUMER DISCRETIONARY	13.14	13.17	-0.03
CONSUMER STAPLES	3.02	3.03	-0.01
ENERGY	3.72	3.73	-0.01
FINANCIALS	24.30	24.26	0.04
HEALTH CARE	10.16	10.19	-0.03
INDUSTRIALS	16.97	17.20	-0.22
INFORMATION TECHNOLOGY	15.74	15.48	0.26
MATERIALS	7.63	7.64	-0.01
TELECOMMUNICATION SERVICES	0.15	0.15	-0.00
UTILITIES	5.15	5.16	-0.00



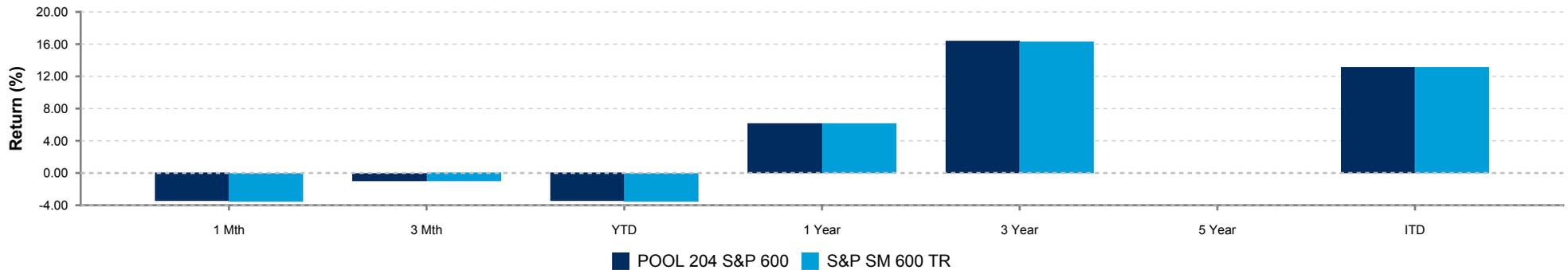
Net Asset Values over Time (\$MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Jan 31 2015	Jan 31 2014	Jan 31 2013
POOL 204 S&P 600	-3.46	-0.93	-3.46	6.14	16.41	13.12	28.62	6.14	28.62	15.56
S&P SM 600 TR	-3.49	-1.01	-3.49	6.15	16.33	13.10	28.44	6.15	28.44	15.45
Excess	0.04	0.08	0.04	-0.01	0.08	0.02	0.18	-0.01	0.18	0.11

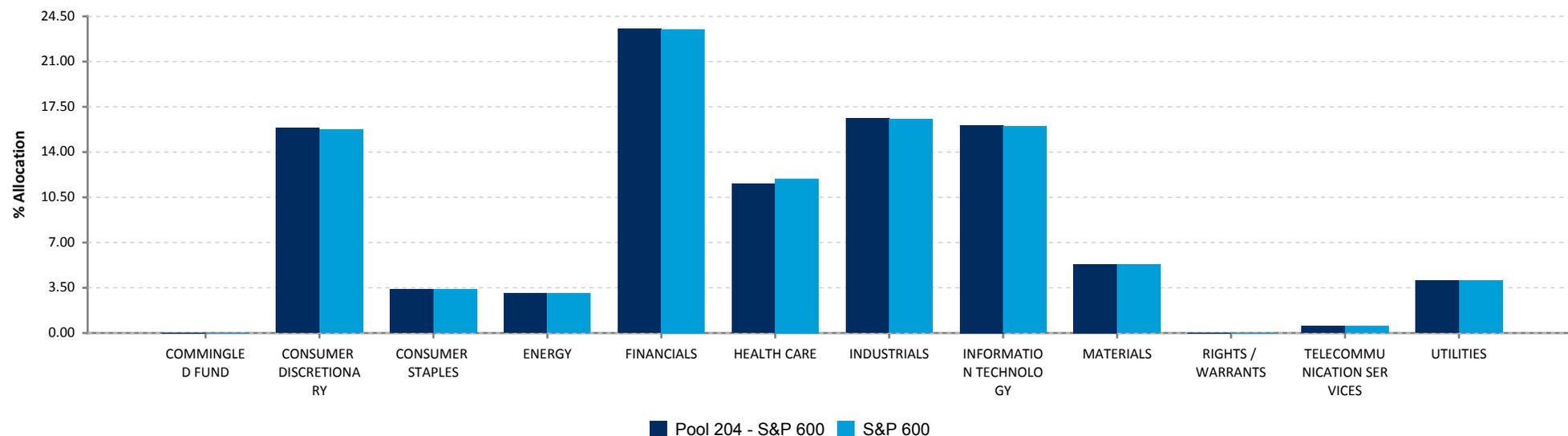
OFFICE OF THE ARIZONA STATE TREASURER

January 31, 2015

POOL 204 S&P 600
Sector Allocation vs S&P SMALLCAP 600



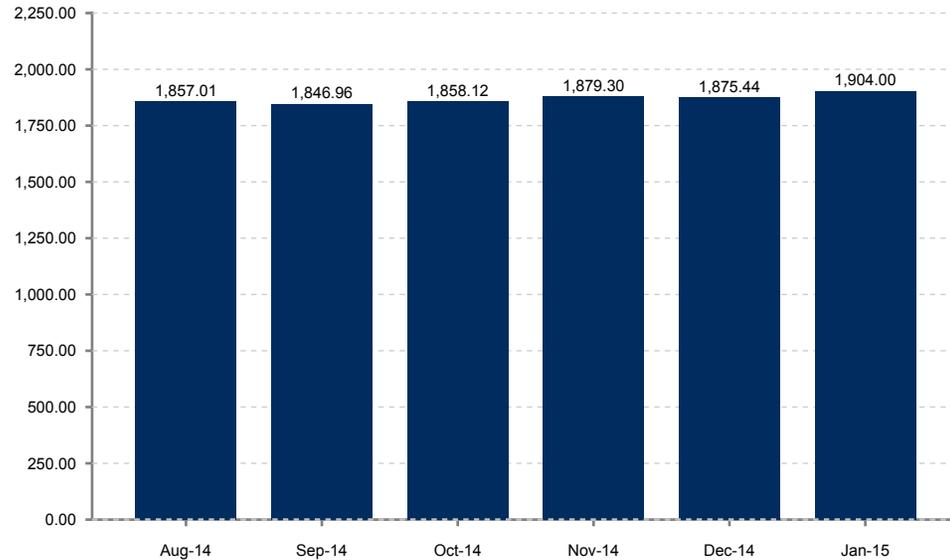
STATE STREET



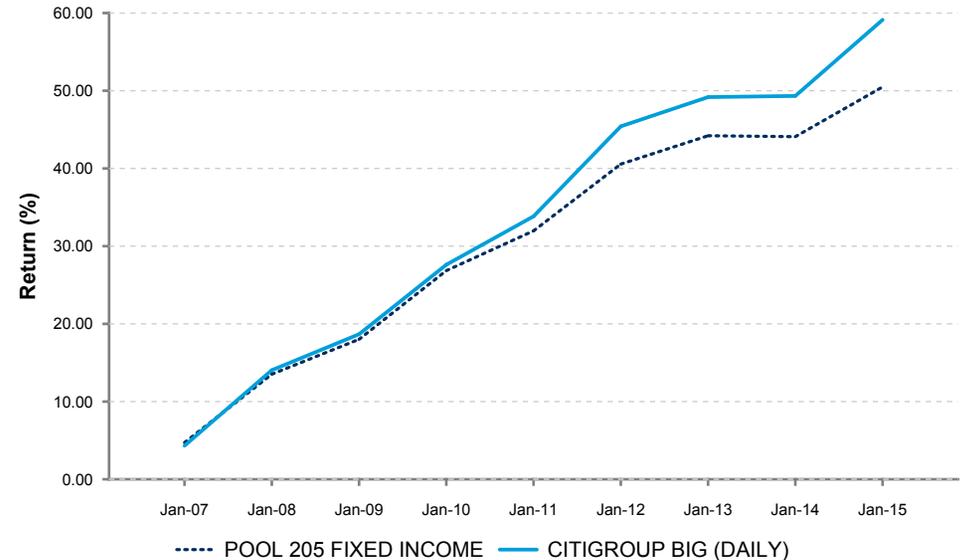
	Weight Fund	Weight Benchmark	Weight Relative
POOL 204 S&P 600	100.00	100.00	0.00
COMMINGLED FUND	0.00	0.00	0.00
CONSUMER DISCRETIONARY	15.35	15.20	0.14
CONSUMER STAPLES	3.77	3.77	0.00
ENERGY	3.26	3.24	0.02
FINANCIALS	23.80	23.56	0.23
HEALTH CARE	11.09	11.06	0.04
INDUSTRIALS	16.91	16.81	0.10
INFORMATION TECHNOLOGY	15.94	16.55	-0.61
MATERIALS	5.50	5.47	0.03
RIGHTS / WARRANTS	0.00	0.00	0.00
TELECOMMUNICATION SERVICES	0.55	0.55	0.00
UTILITIES	3.82	3.79	0.03



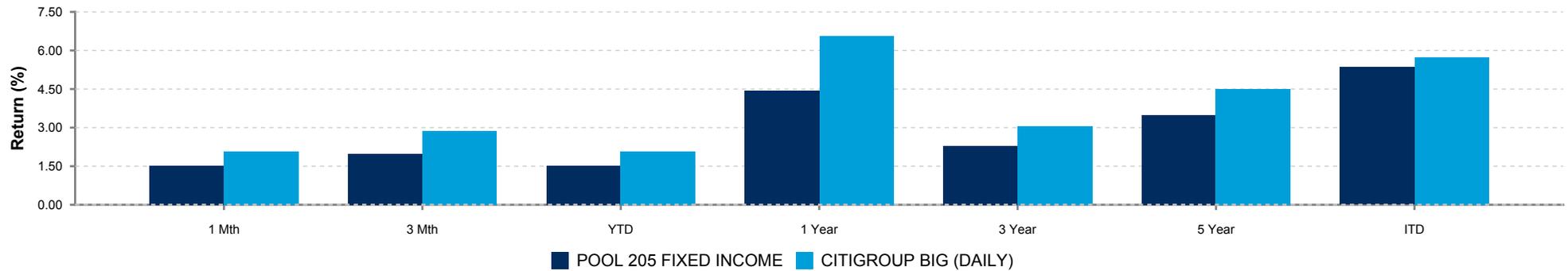
Net Asset Values over Time (\$MM)



Cumulative Return (%)



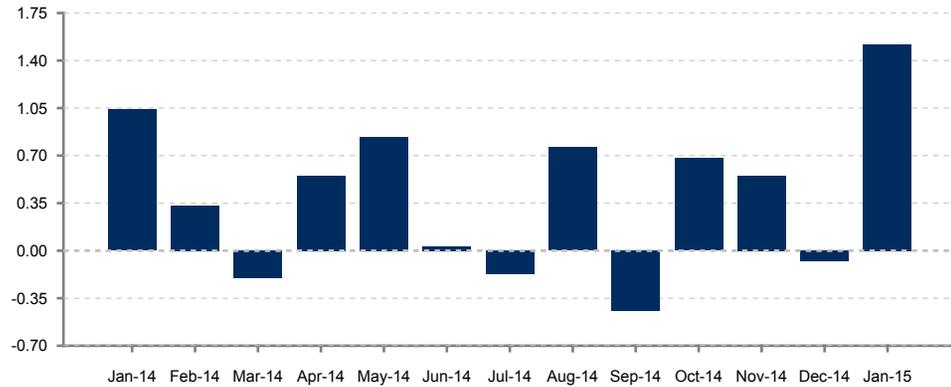
Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Jan 31 2015	Jan 31 2014	Jan 31 2013
POOL 205 FIXED INCOME	1.52	1.99	1.52	4.44	2.30	3.48	5.35	4.44	-0.08	2.60
CITIGROUP BIG (DAILY)	2.07	2.86	2.07	6.56	3.05	4.51	5.73	6.56	0.10	2.59
Excess	-0.55	-0.87	-0.55	-2.12	-0.75	-1.04	-0.38	-2.12	-0.18	0.01



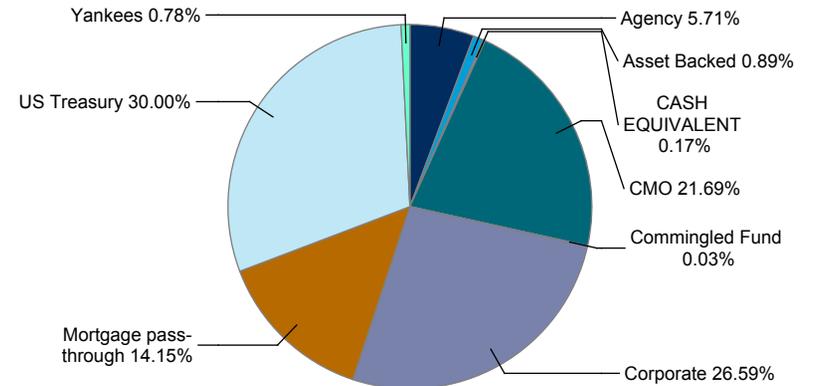
Net Mqr Return



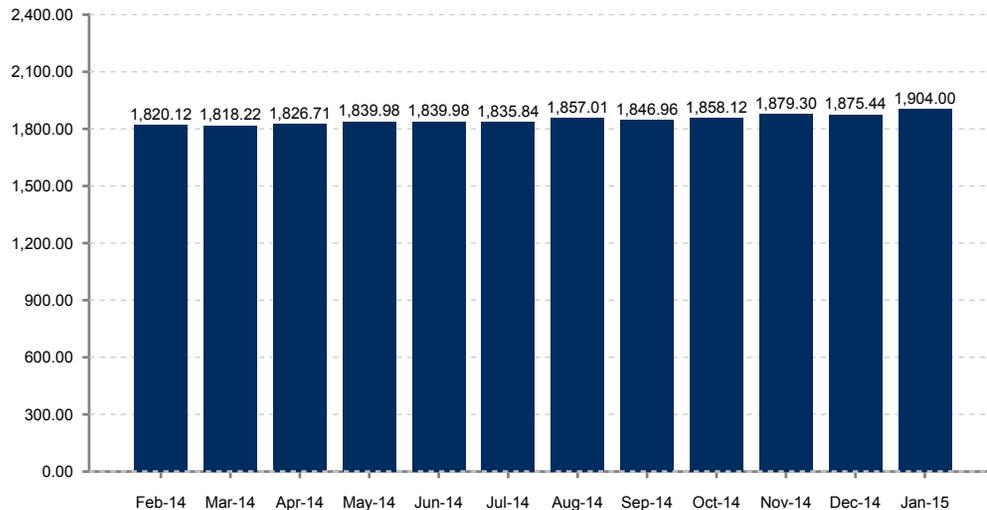
	Current Mth	Prior Mth	1 Year Ago
POOL 205 FIXED INCOME	1.52	-0.08	1.04

Asset Allocation

	Ending Market Value
POOL 205 FIXED INCOME	1,904,001,800



Net Asset Values over Time (\$MM)

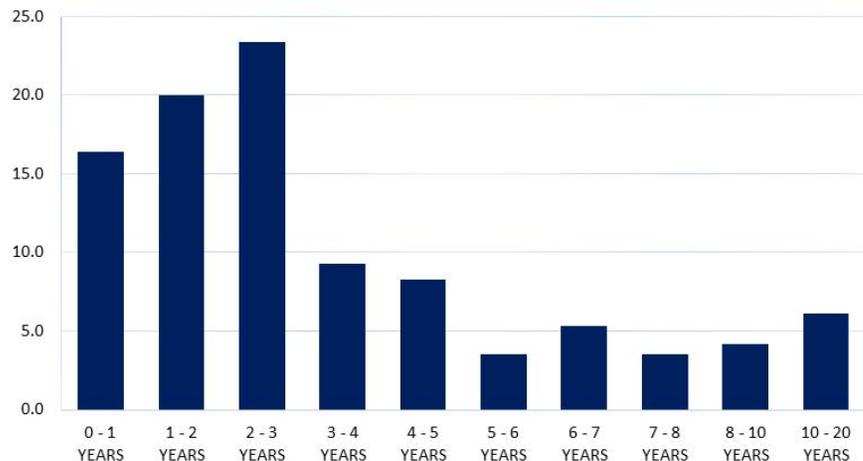


Top 10 Holdings

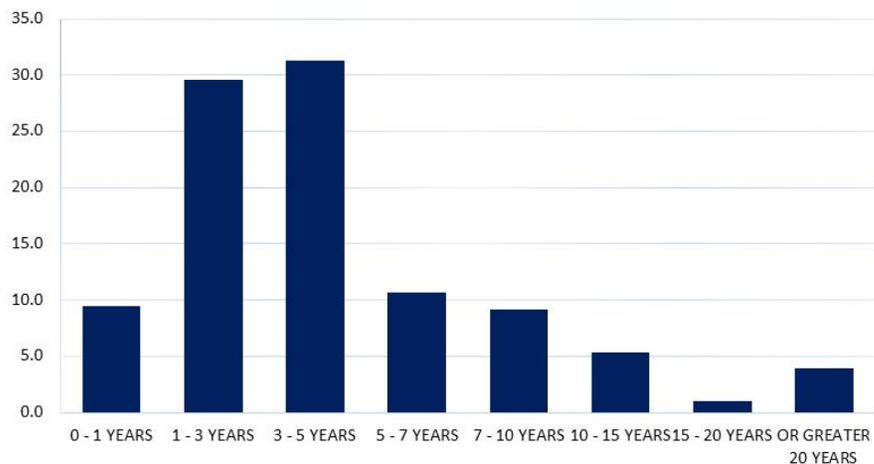
Security Name	Ending Market Value	% of Portfolio
POOL 205 FIXED INCOME		
US TREASURY N/B	17,695,656	0.93
US TREASURY N/B	15,339,807	0.81
FIFTH THIRD BANK	15,075,518	0.79
PRES + FELLOWS OF HARVAR	13,813,580	0.73
US TREASURY N/B	13,485,500	0.71
CONOCOPHILLIPS	13,137,066	0.69
US TREASURY N/B	12,482,646	0.66
FNMA POOL AV6108	11,696,487	0.61
BERKSHIRE HATHAWAY ENERG	11,522,187	0.61
US TREASURY N/B	11,488,196	0.60



Duration Distribution



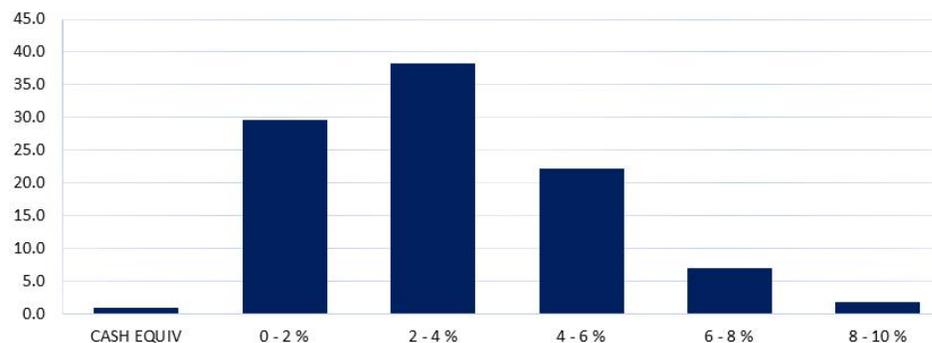
Expected Maturity Distribution



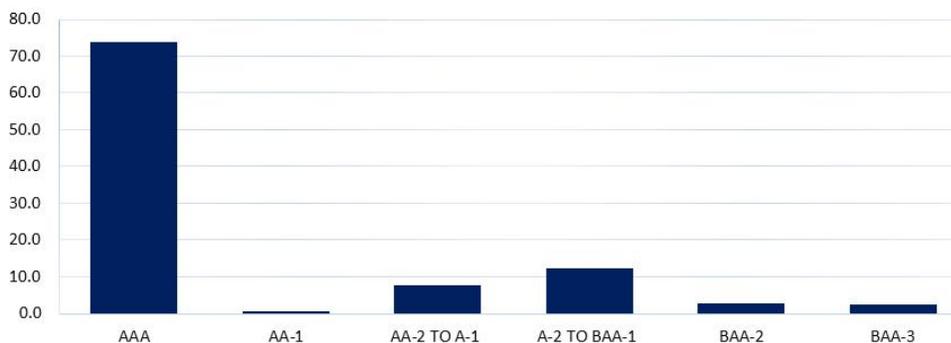
Portfolio Level Characteristics

	POOL 205 FIXED INCOME
Weighted Average Life	4.92
Coupon	3.30
Effective Duration	3.66
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



Thousands

Endowment Fund Market Value

