OFFICE OF THE

ARIZONA STATE TREASURER

JEFF DEWIT
TREASURER

AUGUST 2016

Presented To:

Arizona State Board of Investment

September 29, 2016

STATE BOARD OF INVESTMENT

A G E N D A

September 29, 2016

1. Call to Order
2. Chairman Remarks
3. Approval of August 25, 2016 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. Land Sales Monthly Proceeds Endowment Funds
    G. 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

September 29, 2016

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Minutes of
BOARD OF INVESTMENT MEETING

The regular meeting of the State Board of Investment was held on August 25, 2016 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 2:00 p.m.

Members Present:

Jeff DeWit, Chair, State Treasurer
Harry A. Papp, CFA and Managing Partner, L. Roy Papp & Associate
Beth Ford, Treasurer, Pima County, Via-Teleconference
Robert Charlton, Superintendent, Department of Financial Institutions
Mike Smarik, Deputy State Comptroller, Arizona Department of Administration

Others Present:

Mark Swenson, Deputy Treasurer of Policy & Research, 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
Eric Stivers, Collateral Analyst, Arizona State Treasurer's Office
Dale Stomberg, Investment Accounting Manager, Arizona State Treasurer's Office
Ben Murphy, Analyst, Joint Legislative Budget Committee

Pursuant to A.R.S. 35-311, the following reports for July, 2016 were submitted for the Board's approval:

<u>Review of Treasurer's Monthly Reports:</u>

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

Land Sales Monthly Proceeds Endowment Funds

Endowment Investments and Performance Reports

1. **Call to Order:**
   Treasurer DeWit called the August 25, 2016 BOI meeting to order at approximately 2:00 p.m.

2. **Treasurers Comments:**
   Treasurer DeWit welcomed the board members and guests and thanked all present for attending the August 25, 2016 meeting.

3. **Approval of Minutes:**
   Mr. Papp made a motion to approve the July 28, 2016 minutes. Mr. Charlton 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 July, 2016.

Operating Monies Average Invested Balance

Ms. Humbert reported the Operating Monies average invested balance for the month of July, 2016.

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 July, 2016.

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 July 31, 2016.

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 July 31, 2016.

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

Mr. Stevenson 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. Stevenson reported the net yield for the LGIP and LGIP-Gov Pools and the comparison to the benchmark for the month of July, 2016.

Pool 500 & Pool 700 Portfolio Yield Analysis

Mr. Stevenson reported the net yield for the LGIP Medium Term Pools and the comparison to the benchmark for the month of July, 2016.

Manager Allocation of Invested Monies for the LGIP Pools

Mr. Stevenson 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 July 31, 2016.

LGIP Pools Investments and Performance Reports

Mr. Stevenson 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 July, 2016.

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 July, 2016.

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 July, 2016 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 July, 2016.

Equity Funds Purchases & Sales

Mr. White reported the purchases and sales (summary) of the Endowment Equity Pools for the month of July, 2016.

Investments Outstanding in Endowment Funds

Mr. White reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of July 31, 2016.

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 July 31, 2016.

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 July 31, 2016.

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 July 31, 2016.

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 July 31, 2016.

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 July 31, 2016.

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 July, 2016.

Endowment Investments and Performance Growth by Account Reports

Ms. Humbert reported the performance and growth for each of the Endowment Funds from the inception date of each fund through the end of July 31, 2016.

Approval of Treasurer's Report

Mr. Smarik made a motion to approve the Treasurer's Report. Mr. Charlton seconded the motion. Motion carried.

5. **Proposed Changes to Investment Policy:**
   No propose changes to Investment Policy.

6. **Review and approval of Proposed/Pending Securities Dealers:**
   a. Approval to add one broker dealer firm to the approved *Broker Dealer List*.

   Ms. Humbert provided a brief overview regarding the Broker Dealer Firm; Credit Suisse Securities (USA) LLC CRD #816.

Mr. Papp made a motion to defer action pending a visit by a representative from Credit Suisse. Treasurer DeWit seconded the motion. Motion carried.

7. **General Business:**
There was no General Business.

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 Thursday, September 29, 2016 at 2:00 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. **Adjournment:**
Mr. Smarik made a motion to adjourn the BOI meeting. Mr. Charlton seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 2:57 p.m.

Respectfully Submitted by:

____
Christine Thurston
Executive Consultant II

Approved by:

______________________________ ______________________________
Jeff DeWit, Chair Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
AUGUST 2016

Recipient	Earnings Distributed AUGUST 2016	Fiscal YTD 16/17	Fiscal YTD 15/16	Fiscal YTD Investment Management Fees Received
General Fund	$1,226,224	$2,742,198	$1,961,373	
2 State Agencies - Full Faith & Credit	605,069	1,200,262	763,203	80,133
3 State Agencies - Diversified (Combined)	825,979	1,499,553	1,235,493	137,140
4 State Agencies - Gov	501,926	977,395	700,737	83,486
5 LGIP	420,980	833,068	269,580	106,105
7 LGIP Gov	338,531	684,087	165,096	103,029
10 Restricted Operating	370,421	710,271	568,517	119,856
12 CAWCD Medium-Term	401,777	814,572	758,289	31,304
16 ECDH Medium-Term	484,848	969,263	928,313	35,969
Subtotal	**$5,175,755**	**$10,430,668**	**$7,350,602**	**$697,022**
NAV POOL				
500 LGIP - Med Term	299,779	575,193	481,497	24,033
700 LGIP - FF&C Med Term	133,544	263,694	219,450	13,596
Total	**$5,609,078**	**$11,269,556**	**$8,051,549**	**$734,651**
AUGUST 2015 TOTALS	**$4,083,898**			**$705,759**

*Note: Pool 15 AHCCCS Operating Earnings are reported in General Fund

**Note: Pool 15 AHCCCS Operating Management Fees are reported in Pool 3 State Agencies Diversified (Combined)

OPERATING MONIES
AVERAGE INVESTED BALANCE
Through August 31, 2016
(in millions of dollars)

Month	Fiscal Year 2014/2015	Fiscal Year 2015/2016	Fiscal Year 2016/2017
JULY	1,876	1,795	2,012
AUGUST	1,369	1,554	1,504
SEPTEMBER	1,638	1,874	
OCTOBER	1,521	1,701	
NOVEMBER	1,535	1,686	
DECEMBER	1,478	1,734	
JANUARY	1,754	2,140	
FEBRUARY	1,959	2,295	
MARCH	1,686	2,092	
APRIL	1,879	2,407	
MAY	2,163	2,720	
JUNE	2,307	2,590	
Y-T-D Average	**$1,764**	**$2,049**	**$1,758**

Budget Stabilization Average Fund Balance - August 2016	**$445**
Total Average Cash Available - August 2016	**$1,949**

STATE AGENCY POOLS
PORTFOLIO EARNINGS ANALYSIS
AUGUST 2016

FUND	DESCRIPTION	Current Month 08/31/16	Prior Month 07/31/16	Prior Year 08/31/15	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	659,467	660,302	430,826	0.9988
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	1,086,204	1,168,668	795,108	1.0000
	EXTERNAL MANAGERS	105,836	105,020	75,373	1.0029
	FUND 3 TOTAL	1,192,039	1,273,688	870,481	1.0003
4	STATE AGENCIES - GOV	589,302	649,636	474,613	0.9999
10	RESTRICTED OPERATING				
	INTERNAL MANAGERS	920,398	853,306	748,287	1.0011
	EXTERNAL MANAGERS	145,441	139,140	96,826	1.0006
	FUND 10 TOTAL	1,065,840	992,446	845,113	1.0011
12	CAWCD MEDIUM-TERM	401,777	412,794	380,547	1.0062
15	AHCCCS OPERATING	10,017	9,683	N/A	N/A
16	ECDH MEDIUM-TERM	484,848	484,415	468,934	1.0064
	TOTAL STATE AGENCIES	**4,403,290**	**4,482,964**	**3,470,514**	

STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
AUGUST 2016

FUND	DESCRIPTION	Current Month 08/31/16	Prior Month 07/31/16	Prior Year 08/31/15
2	STATE AGENCIES - FULL FAITH & CREDIT	0.92%	0.90%	0.57%
	75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	0.91%	0.85%	0.89%
3	STATE AGENCIES - DIVERSIFIED			
	INTERNAL MANAGERS	1.07%	0.93%	0.70%
	EXTERNAL MANAGERS	1.21%	1.20%	0.87%
	COMBINED	1.08%	0.95%	0.71%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.96%	0.85%	0.72%
4	STATE AGENCIES - GOV	0.85%	0.79%	0.78%
	50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.64%	0.52%	0.50%
10	RESTRICTED OPERATING			
	INTERNAL MANAGERS	1.11%	1.03%	0.84%
	EXTERNAL MANAGERS	0.57%	0.54%	0.38%
	COMBINED	0.98%	0.91%	0.74%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.96%	0.85%	0.72%
12	CAWCD MEDIUM-TERM	1.42%	1.45%	1.45%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.16%	1.08%	1.17%
15	AHCCCS OPERATING	0.46%	0.44%	N/A
16	ECDH MEDIUM-TERM	1.64%	1.64%	1.61%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.16%	1.08%	1.17%

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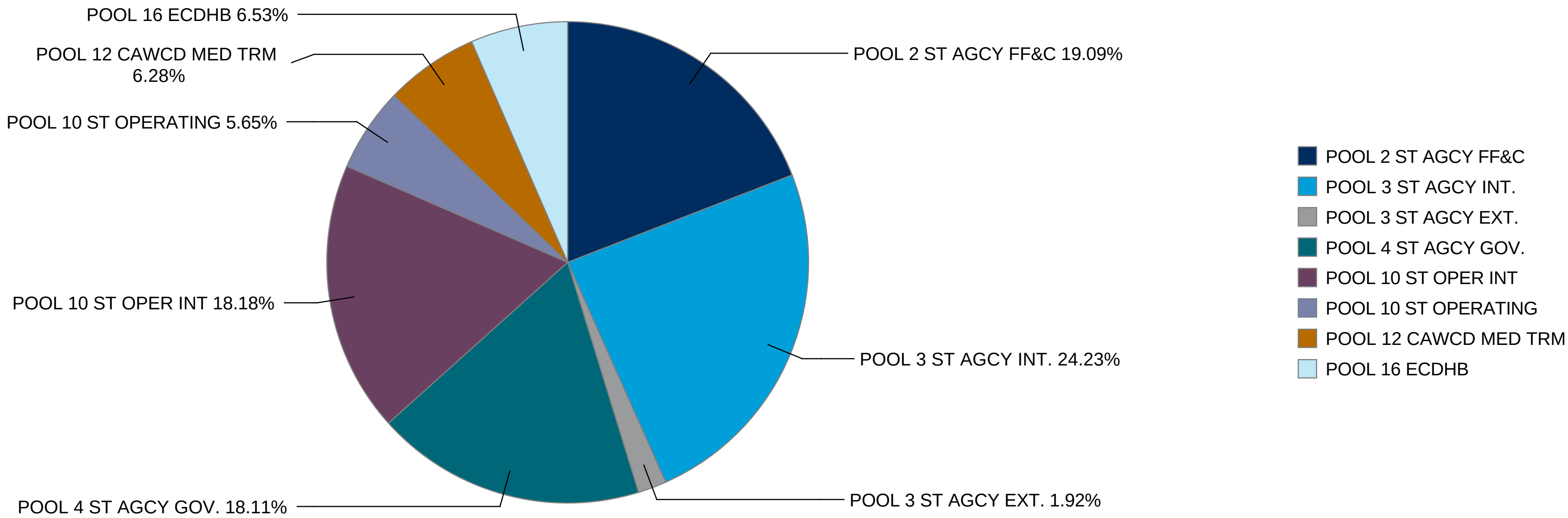
STATE AGENCY

Manager Allocation



	Market Value	% of Portfolio
POOL 2 ST AGCY FF&C	1,026,194,028	19.1
POOL 3 ST AGCY INT.	1,302,523,116	24.2
POOL 3 ST AGCY EXT.	103,477,798	1.9
POOL 4 ST AGCY GOV.	973,502,731	18.1
POOL 10 ST OPER INT	977,548,399	18.2
POOL 10 ST OPERATING	303,985,869	5.7
POOL 12 CAWCD MED TRM	337,740,054	6.3
POOL 16 ECDHB	351,090,135	6.5
TOTAL STATE AGENCY	5,376,062,134	100.0

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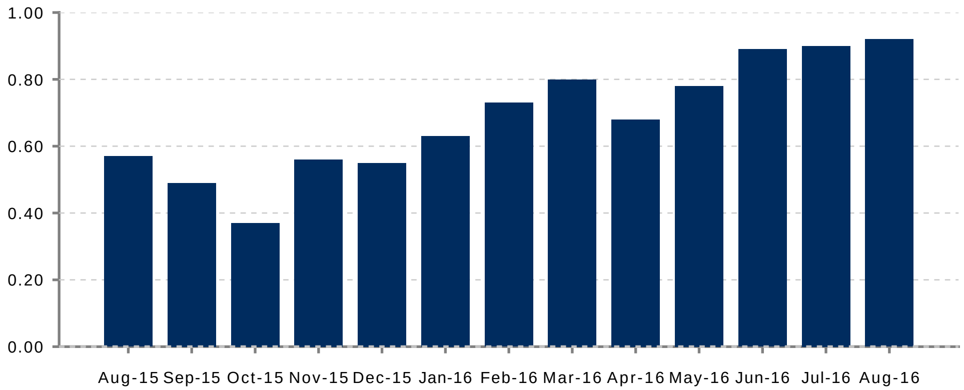
POOL 2 ST AGCY FF&C

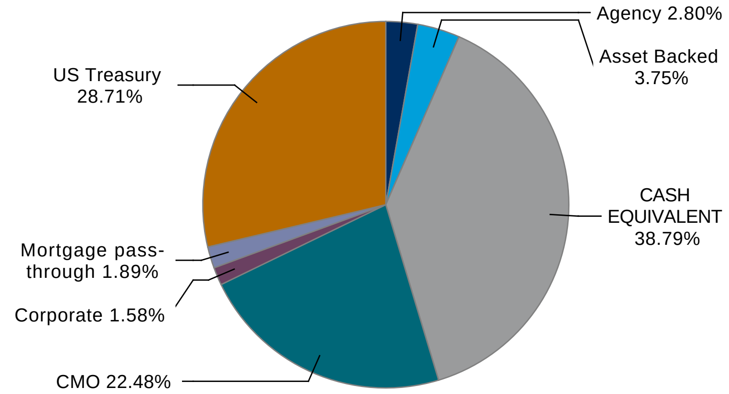
Net Yield



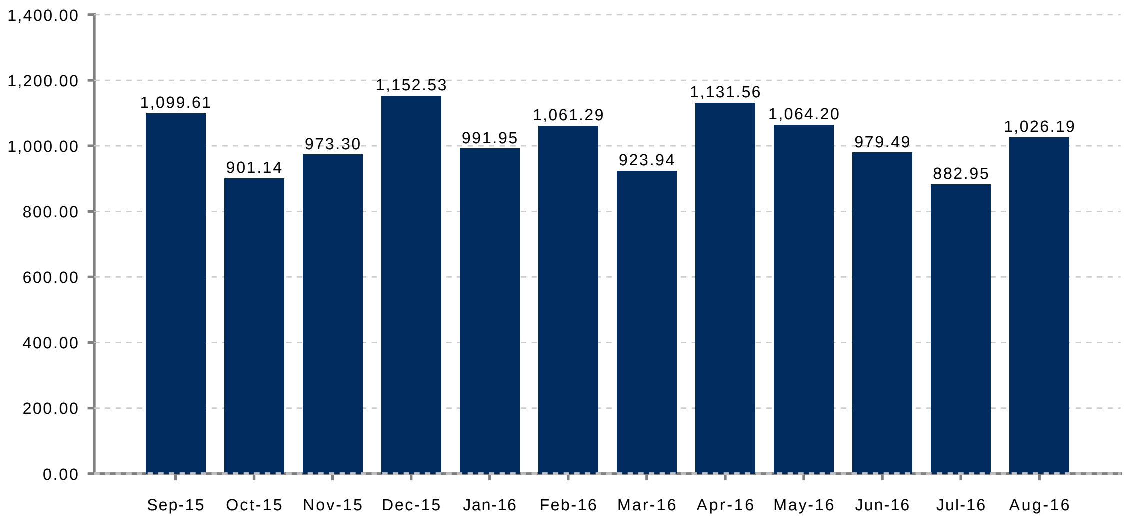
	Current Mth	Prior Mth	1 Year Ago
POOL 2 ST AGCY FF&C	0.92	0.90	0.57

Asset Allocation

	Ending Market Value
POOL 2 ST AGCY FF&C	1,026,194,028



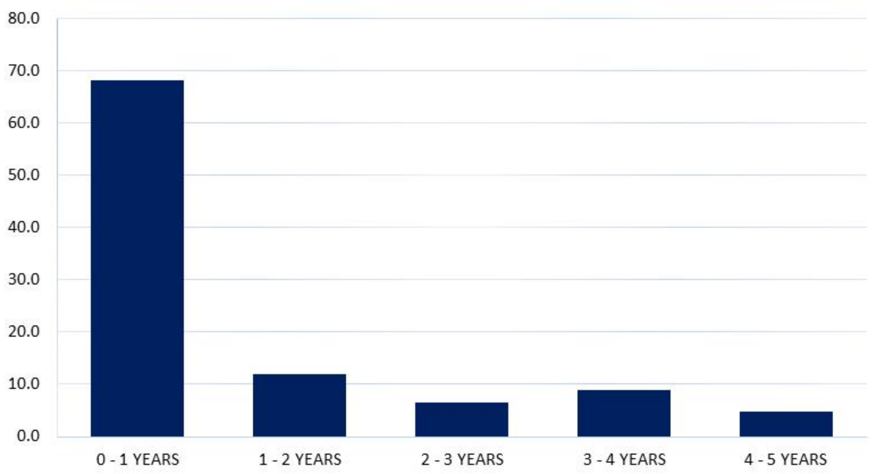
Net Asset Values over Time ($MM)



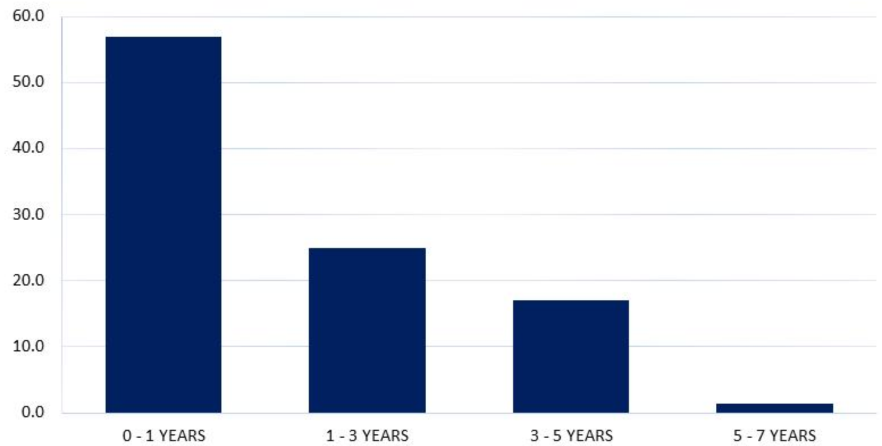
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 2 ST AGCY FF&C		
AMHERST PIERPONT	183,253,717	17.86
SOUTH STREET REPO	125,001,563	12.18
US TREASURY N/B	41,626,792	4.06
US TREASURY FRN	40,023,068	3.90
TREASURY BILL	29,971,689	2.92
TREASURY BILL	29,931,840	2.92
GOVERNMENT NATIONAL MORTGAGE A	24,584,024	2.40
US TREASURY N/B	20,057,655	1.95
US TREASURY FRN	20,011,392	1.95
US TREASURY FRN	20,005,442	1.95

Duration Distribution



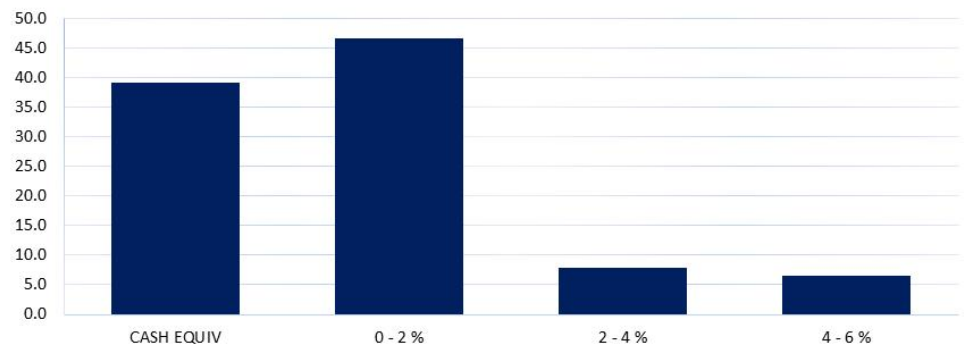
Expected Maturity Distribution



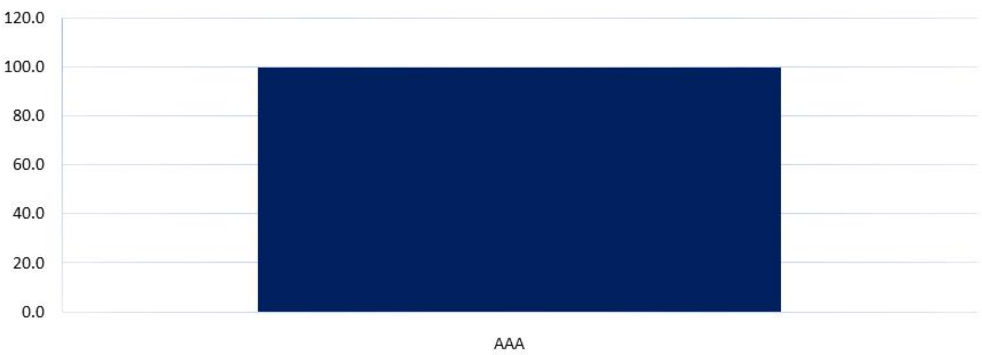
Portfolio Level Characteristics

	POOL 2 ST AGCY FF&C
Weighted Average Life	1.37
Coupon	1.53
Effective Duration	0.96
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



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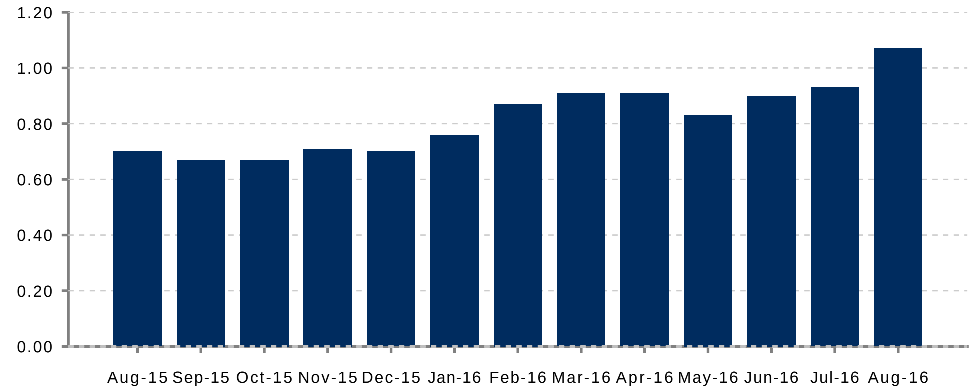
POOL 3 ST AGCY INT.

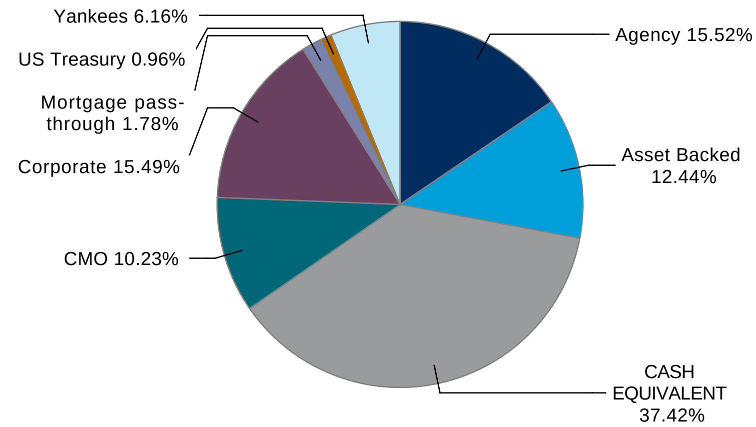
Net Yield



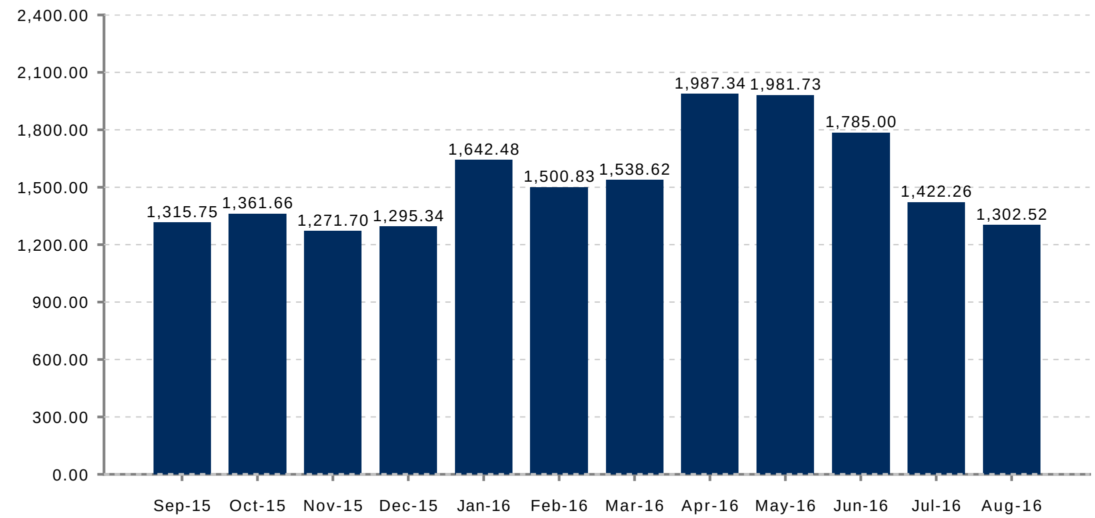
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY INT.	1.07	0.93	0.70

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY INT.	1,302,523,116



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY INT.		
SOUTH STREET REPO	350,068,421	26.88
CANADIAN IMPERIAL BK	30,042,482	2.31
FREDDIE MAC	30,008,702	2.30
ANGLESEA FDG PLC & ANG	24,985,111	1.92
FEDERAL FARM CREDIT BANK	24,895,356	1.91
WESTPAC BANKING CORP.	24,799,072	1.90
FANNIE MAE	22,719,224	1.74
INTL BK RECON + DEVELOP	20,052,612	1.54
MIZUHO BANK LTD	20,018,499	1.54
FEDERAL FARM CREDIT BANK	20,013,876	1.54

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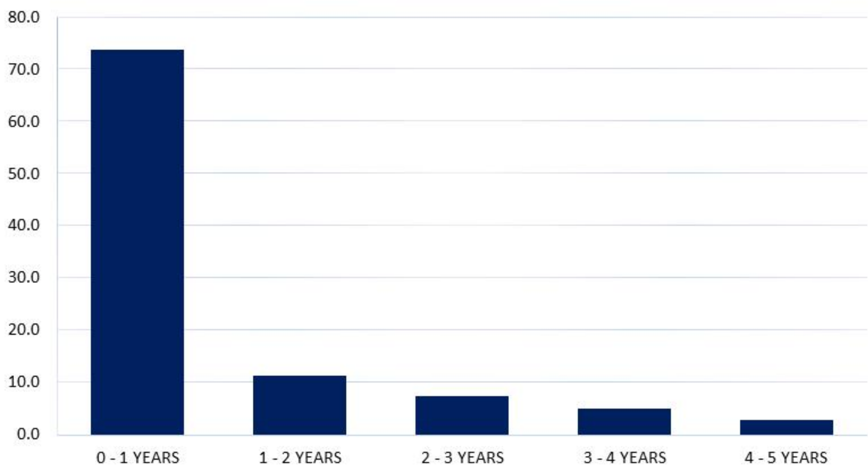
POOL 3 ST AGCY INT

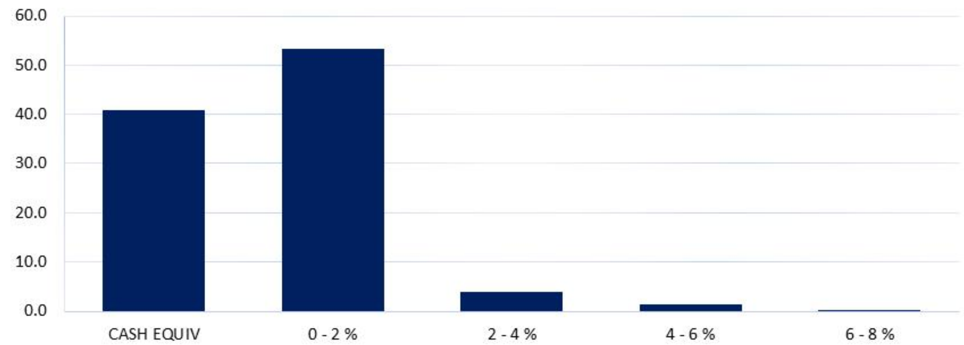
Duration Distribution



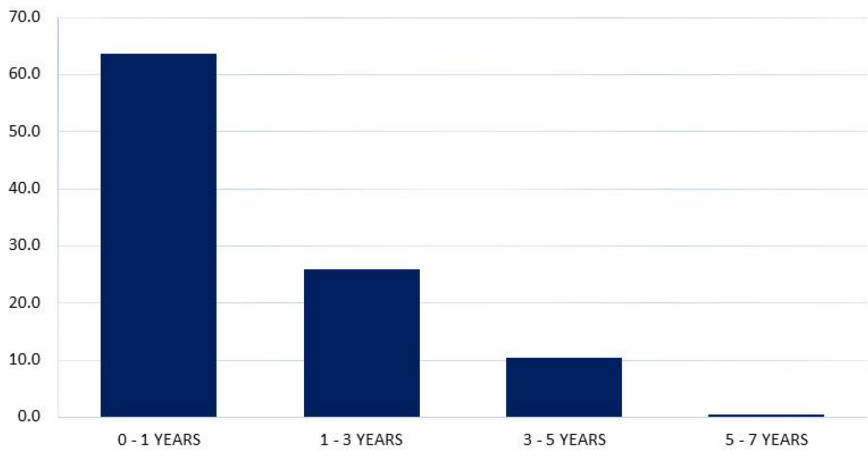
Portfolio Level Characteristics

	POOL 3 ST AGCY INT.
Weighted Average Life	1.05
Coupon	1.23
Effective Duration	0.72
Quality Rating (Moody's)	AA-1

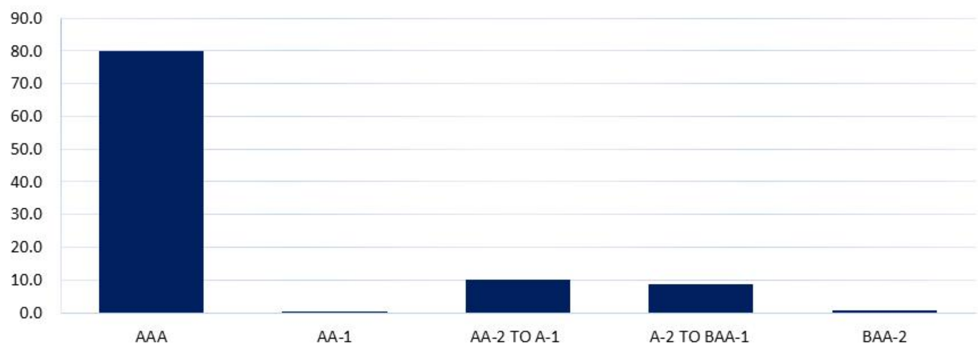
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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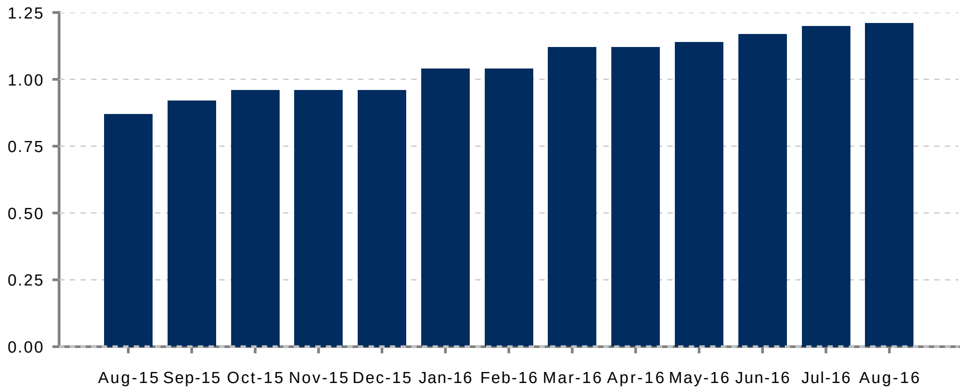
POOL 3 ST AGCY EXT.

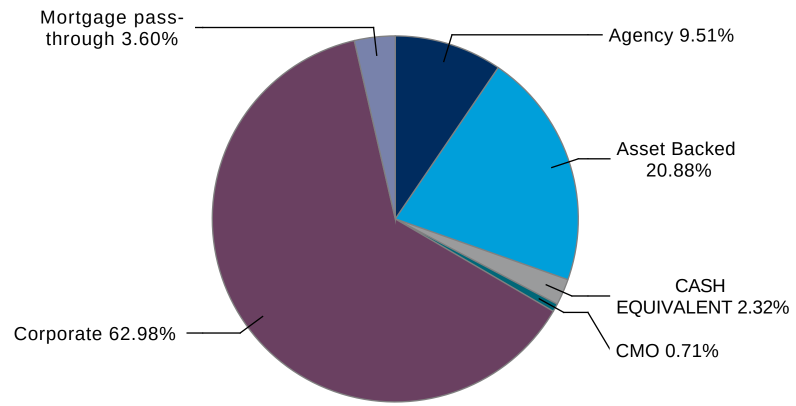
Net Yield



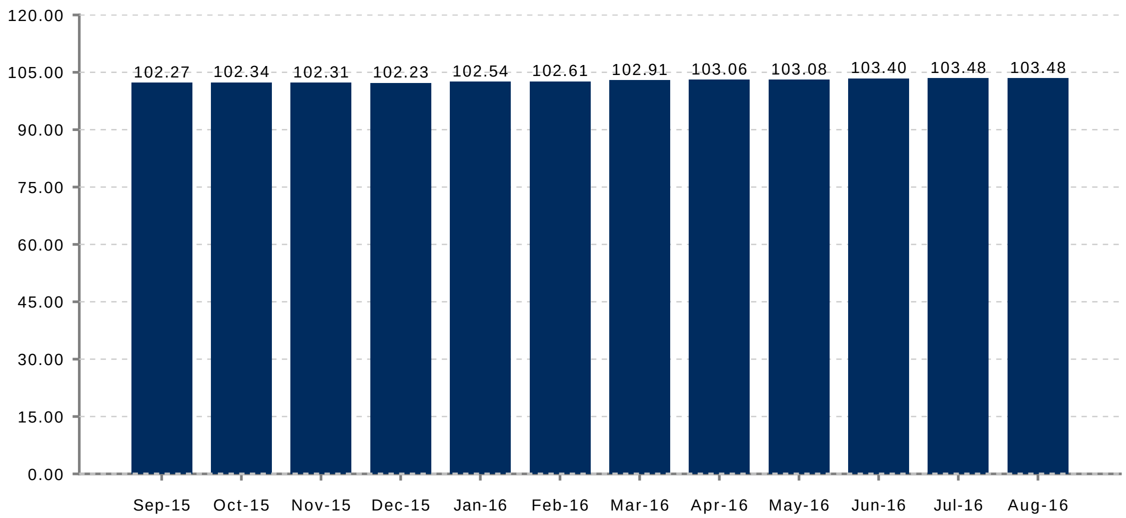
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY EXT.	1.21	1.20	0.87

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY EXT.	103,477,798



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY EXT.		
FANNIE MAE	2,994,998	2.89
FREDDIE MAC	2,798,599	2.70
FNMA POOL MA1443	2,640,412	2.55
FANNIE MAE	1,997,845	1.93
STATE STR INSTL LIQUID RESVS	1,887,436	1.82
CITIBANK CREDIT CARD ISSUANCE	1,731,121	1.67
COSTCO WHOLESALE CORP	1,607,874	1.55
3M COMPANY	1,545,203	1.49
PEPSICO INC	1,505,133	1.45
CISCO SYSTEMS INC	1,406,131	1.36

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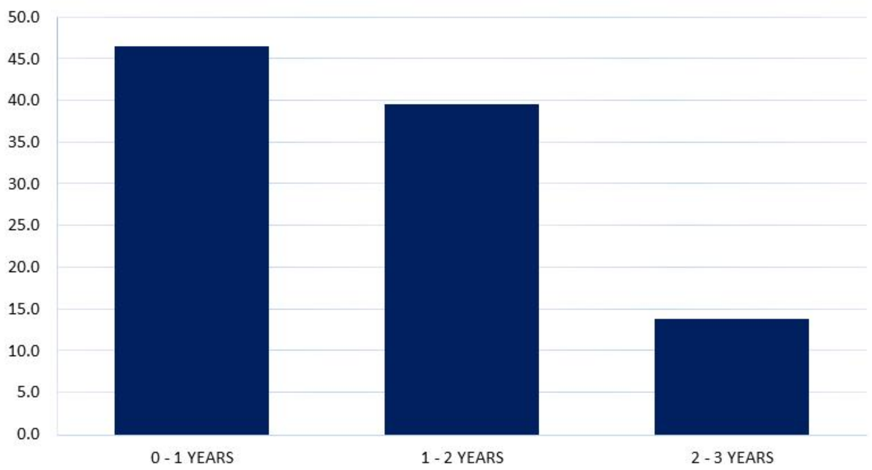
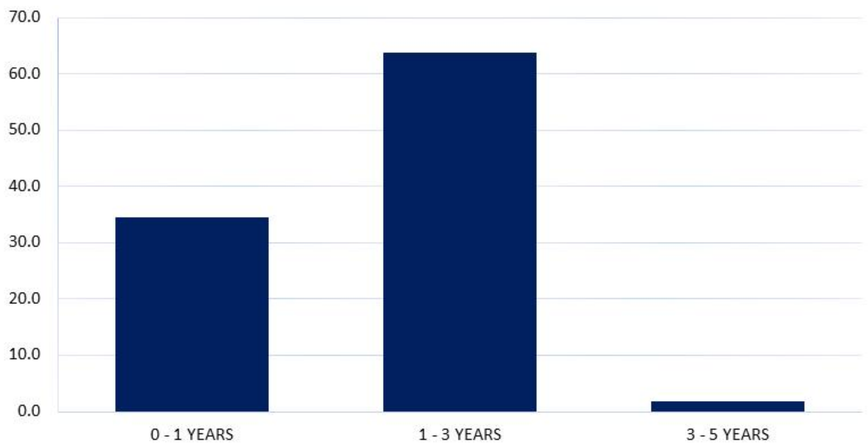
POOL 3 ST AGCY EXT

Duration Distribution



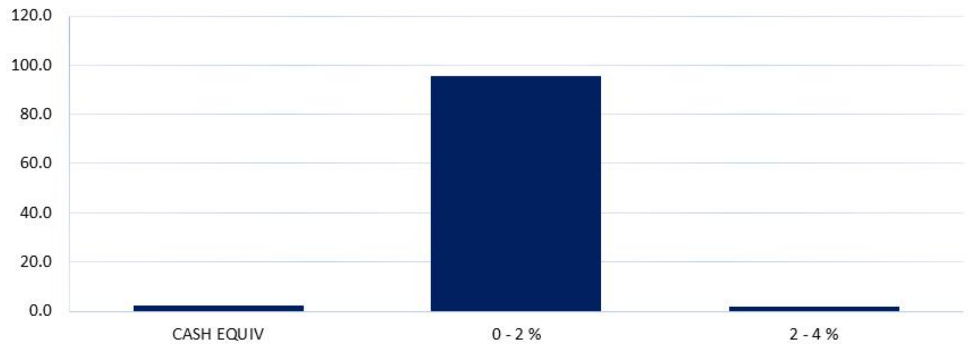
Expected Maturity Distribution



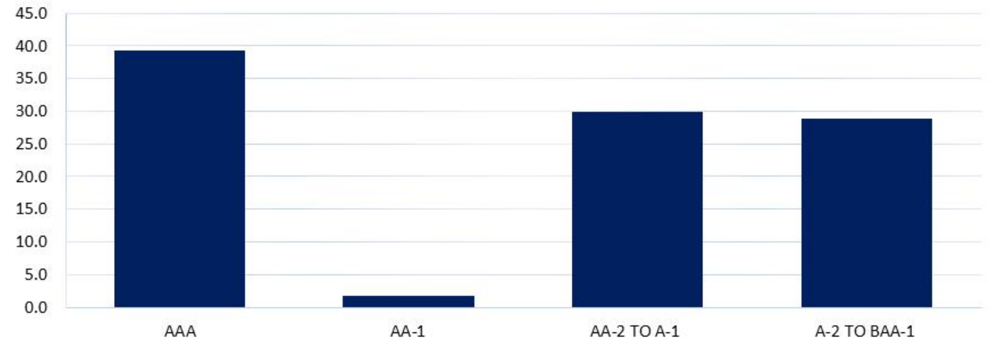
Portfolio Level Characteristics

	POOL 3 ST AGCY EXT.
Weighted Average Life	1.56
Coupon	1.27
Effective Duration	1.09
Quality Rating (Moody's)	AA-3

Coupon Distribution



Rating Distribution



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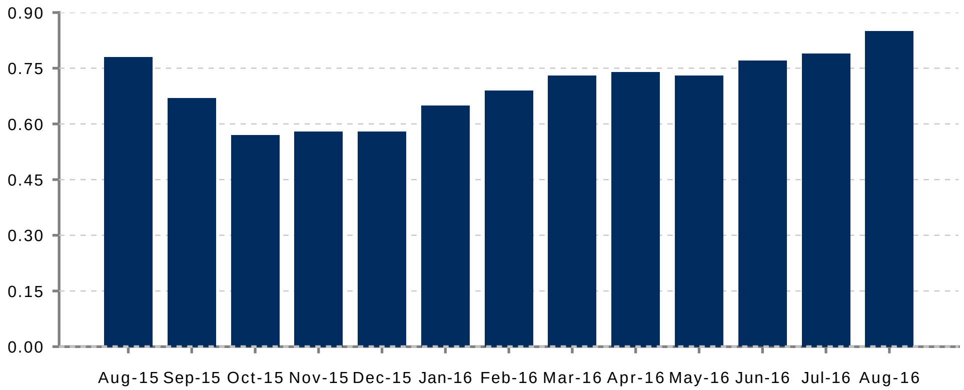
August 31, 2016

POOL 4 ST AGCY GOV.

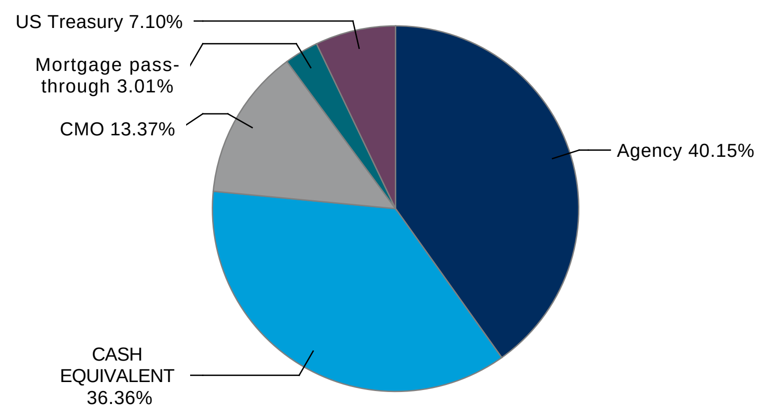
Net Yield



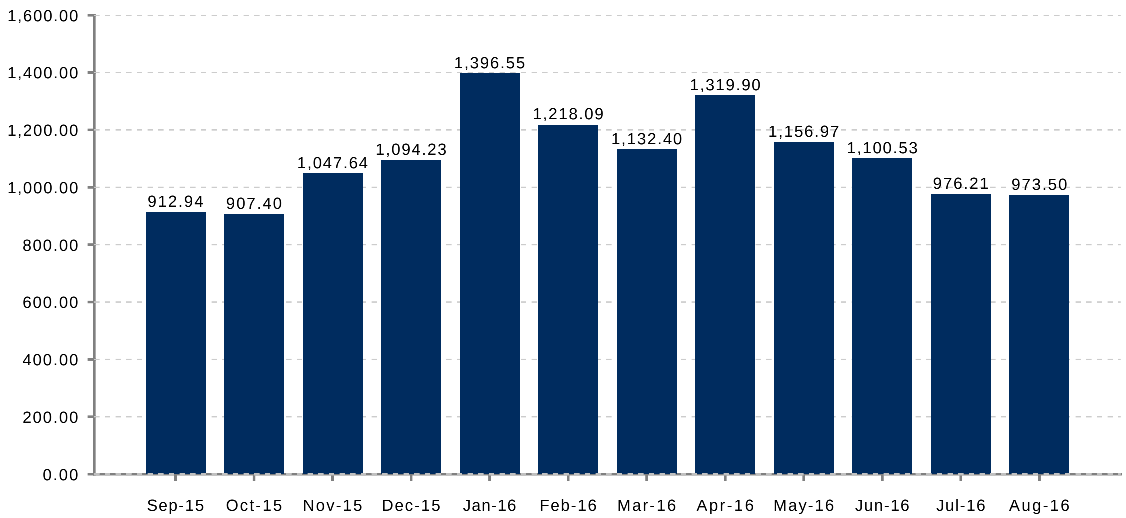
	Current Mth	Prior Mth	1 Year Ago
POOL 4 ST AGCY GOV.	0.85	0.79	0.78

Asset Allocation

	Ending Market Value
POOL 4 ST AGCY GOV.	973,502,731



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 4 ST AGCY GOV.		
SOUTH STREET REPO	229,940,118	23.62
AMHERST PIERPONT	45,848,745	4.71
FED HOME LN DISCOUNT NT	29,982,558	3.08
FANNIEMAE ACES	22,360,392	2.30
FEDERAL FARM CREDIT BANK	20,041,472	2.06
FARMER MAC	20,028,004	2.06
FREDDIE MAC	20,005,802	2.06
FARMER MAC DISCOUNT NOTE	19,999,800	2.05
FEDERAL FARM CREDIT BANK	19,995,909	2.05
FARMER MAC DISCOUNT NOTE	19,993,333	2.05

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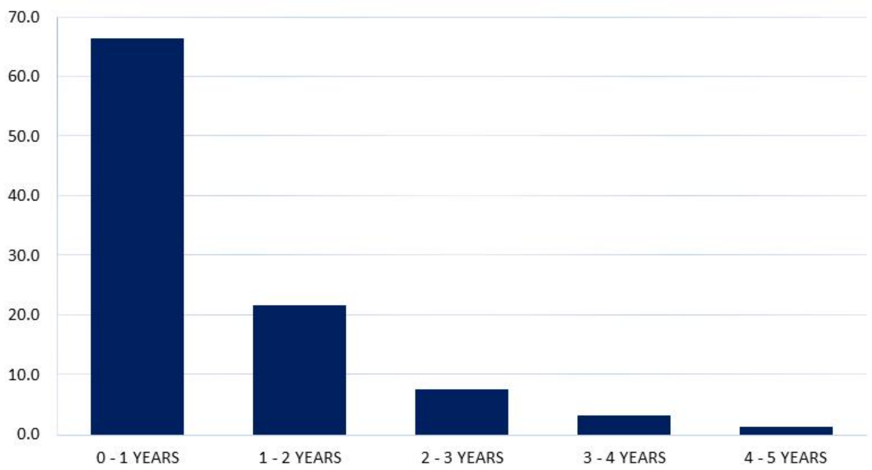
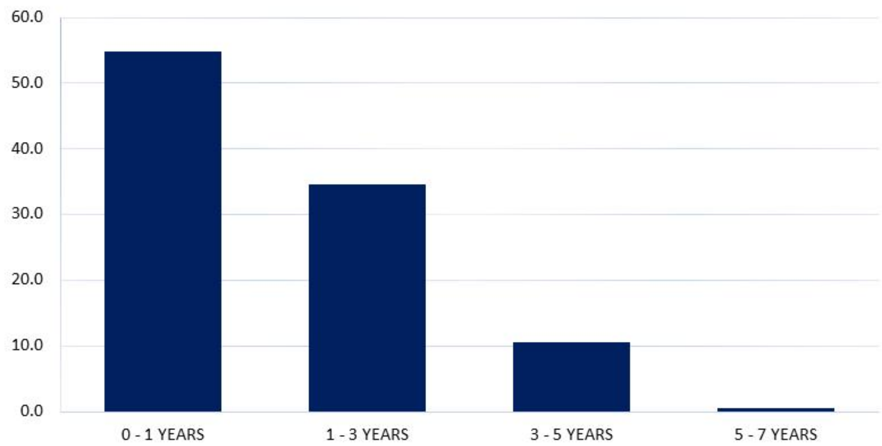
August 31, 2016

POOL 4 ST AGCY GOV

Duration Distribution



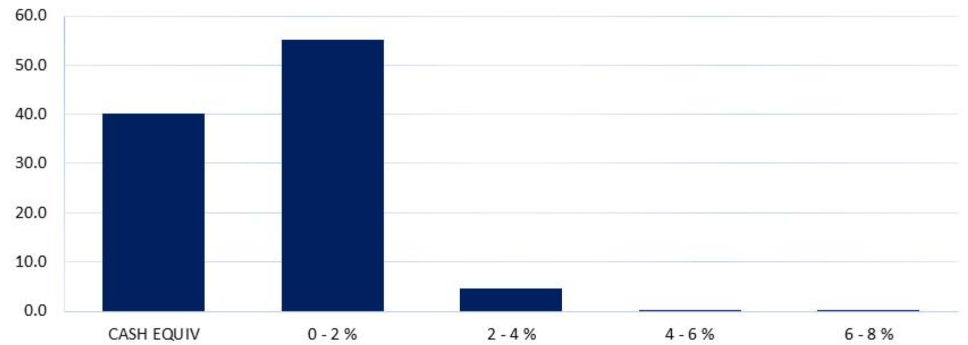
Expected Maturity Distribution



Portfolio Level Characteristics

	POOL 4 ST AGCY GOV.
Weighted Average Life	1.08
Coupon	0.92
Effective Duration	0.73
Quality Rating (Moody's)	AAA

Coupon Distribution



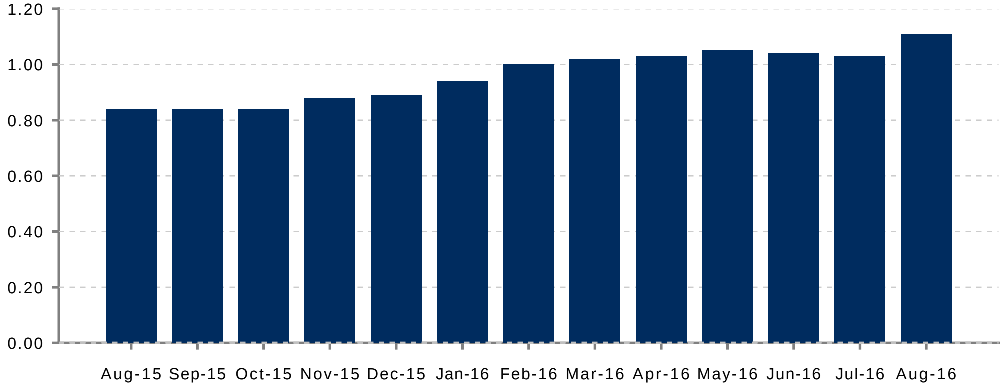
Rating Distribution

OFFICE OF THE ARIZONA STATE TREASURER

August 31, 2016

POOL 10 ST OPERATING INT

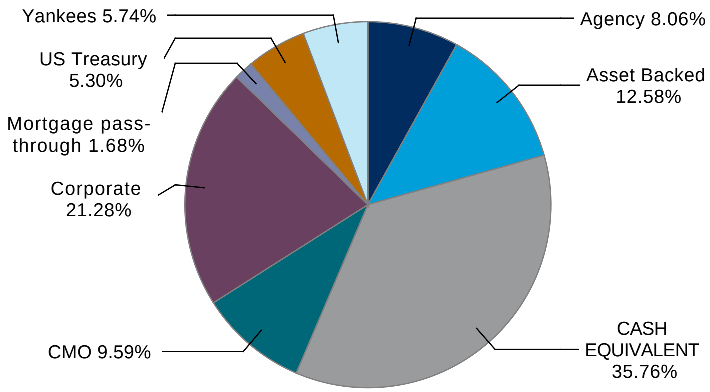
Net Yield



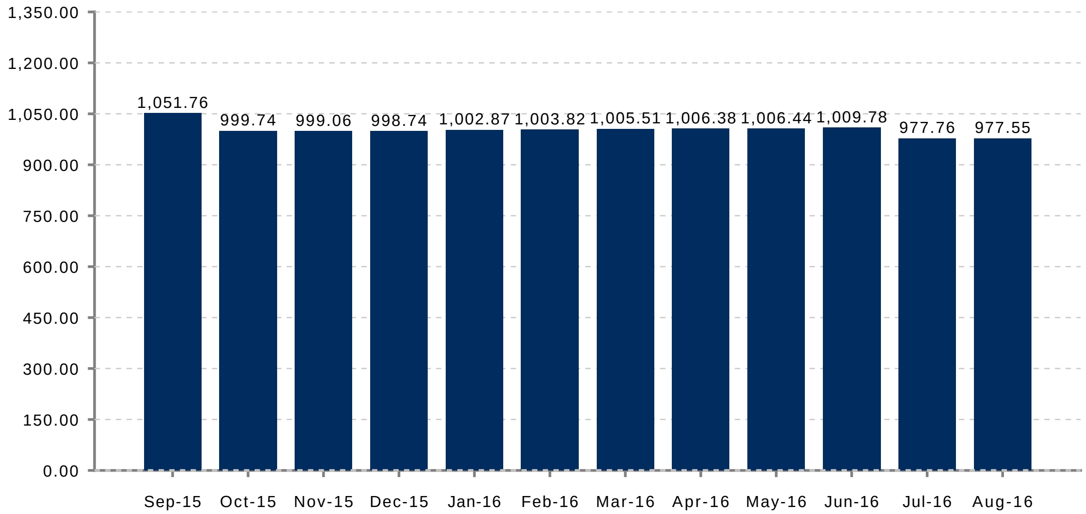
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPER INT	1.11	1.03	0.84

Asset Allocation

	Ending Market Value
POOL 10 ST OPER INT	977,548,399



Net Asset Values over Time ($MM)



Top 10 Holdings

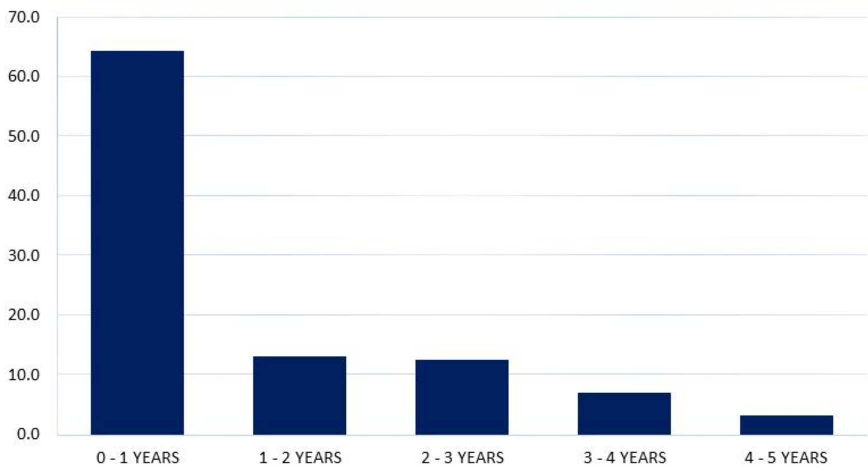
Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPER INT		
KELLS FDG LLC	29,958,933	3.06
ANGLESEA FDG PLC & ANG	24,985,111	2.56
MANHATTAN ASSET FDG.	24,946,917	2.55
ING (US) FUNDING LLC	24,866,052	2.54
ING (US) FUNDING LLC	24,866,052	2.54
WESTPAC BANKING CORP.	24,799,072	2.54
US TREASURY N/B	20,405,130	2.09
MIZUHO BANK LTD	20,018,499	2.05
SHEFFIELD RECEIVABLE	20,000,000	2.05
MOUNTCLIFF	19,986,667	2.04

OFFICE OF THE ARIZONA STATE TREASURER

August 31, 2016

POOL 10 ST OPERATING INT

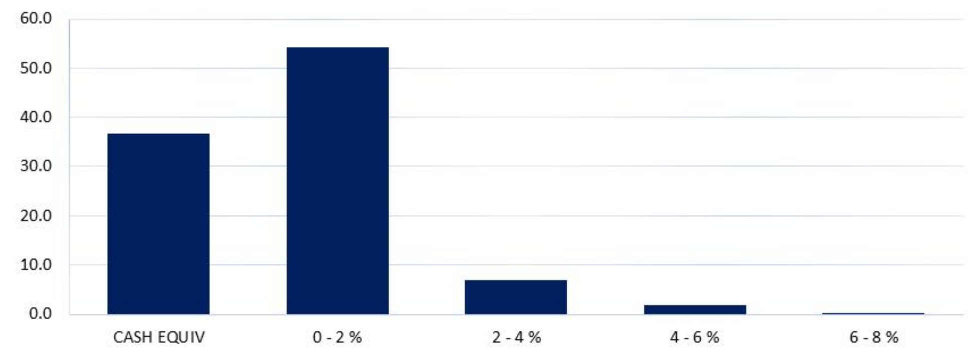
Duration Distribution



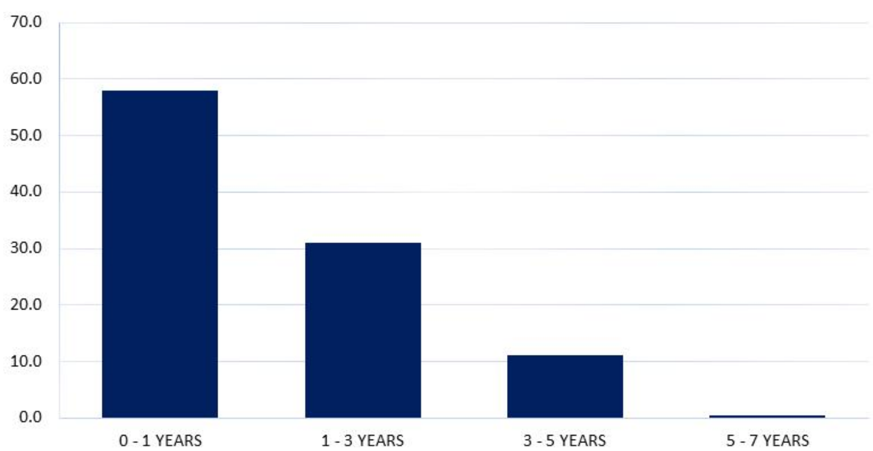
Portfolio Level Characteristics

	POOL 10 ST OPERATING INT
Weighted Average Life	1.18
Coupon	0.99
Effective Duration	1.01
Quality Rating (Moody's)	AA-1

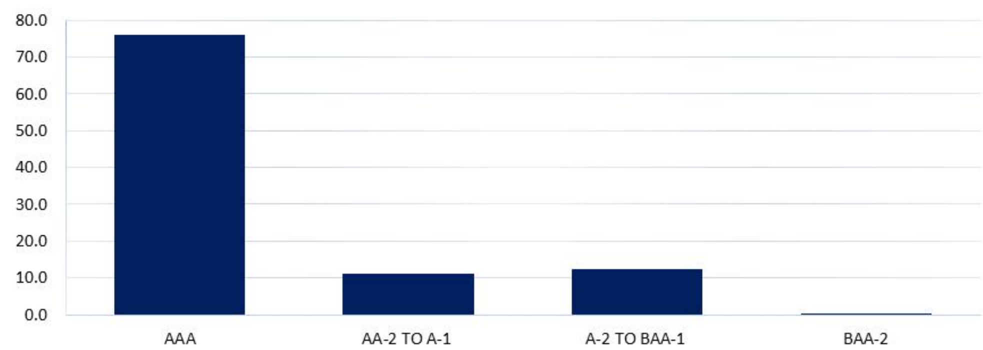
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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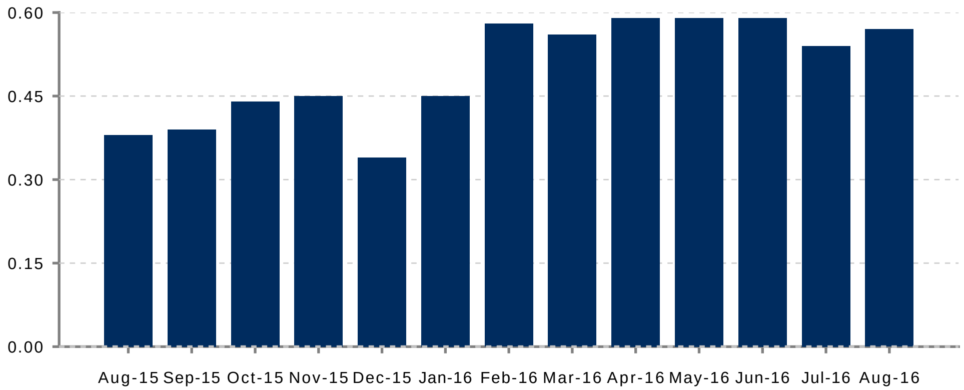
August 31, 2016

POOL 10 ST OPERATING Ext

STATE STREET.

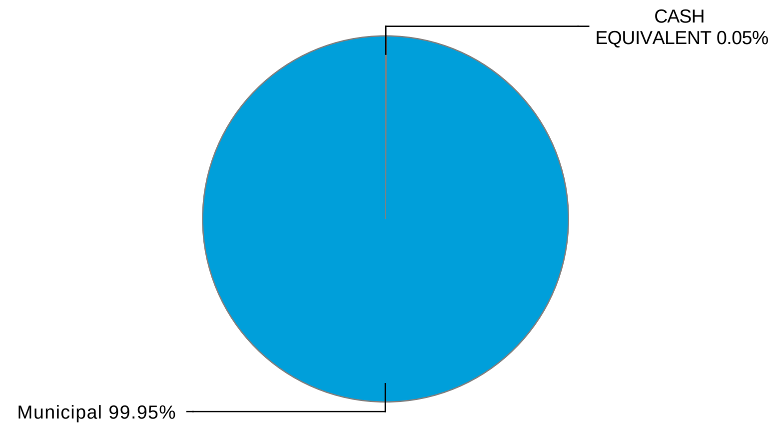
Net Yield



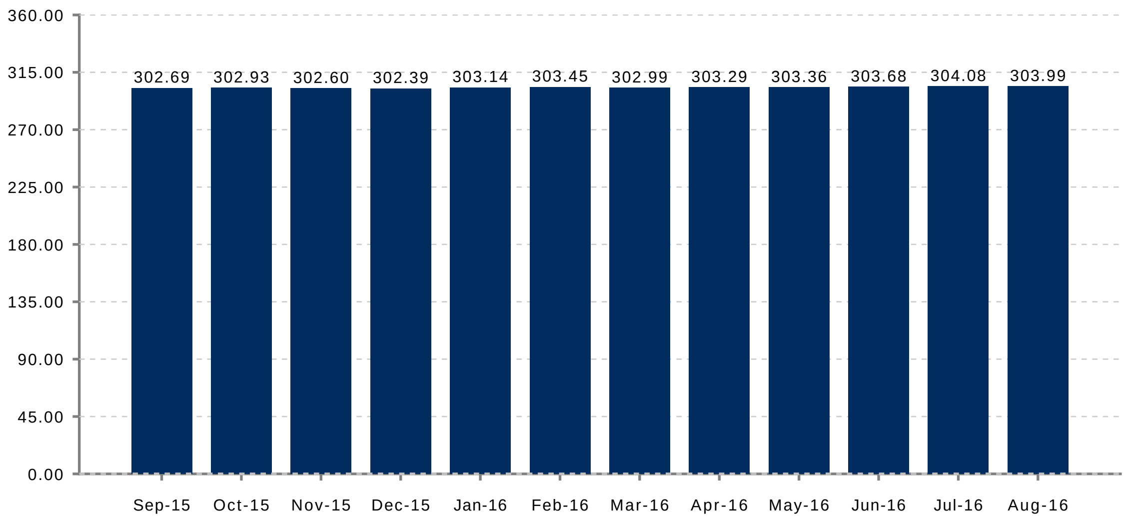
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPERATING	0.57	0.54	0.38

Asset Allocation

	Ending Market Value
POOL 10 ST OPERATING	303,985,869



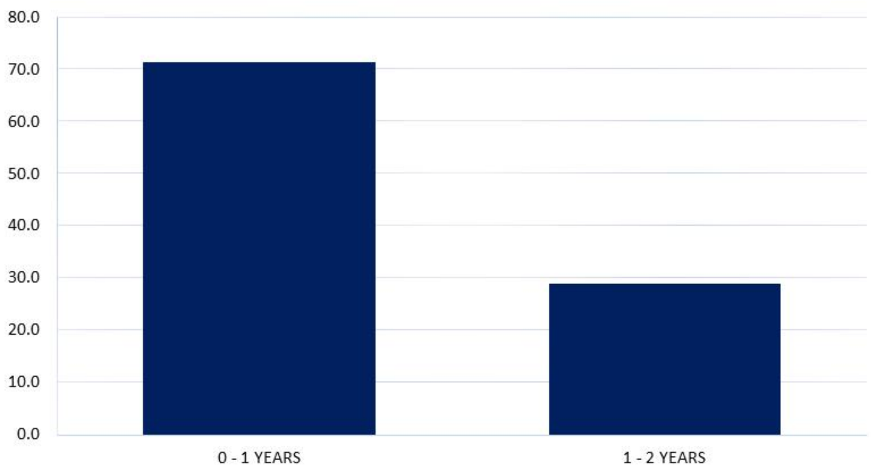
Net Asset Values over Time ($MM)



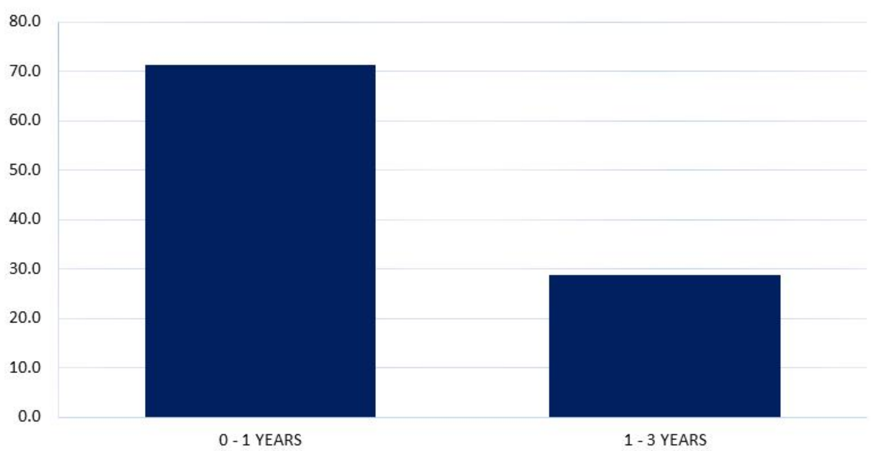
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPERATING		
WISCONSIN ST HLTH EDUCTNL FA	12,805,477	4.21
PORTLAND OR CMNTY CLG DIST	12,281,755	4.04
HOUSTON TX INDEP SCH DIST	11,601,173	3.82
PORTLAND OR SWR SYS REVENUE	11,498,941	3.78
VIRGINIA BEACH VA	10,658,720	3.51
LEAWOOD KS	10,488,584	3.45
MULTNOMAH CNTY OR SCH DIST 1J	10,447,757	3.44
MADISON WI	10,419,575	3.43
NORTH SLOPE BORO AK	10,245,939	3.37
IDAHO ST	10,144,071	3.34

Duration Distribution



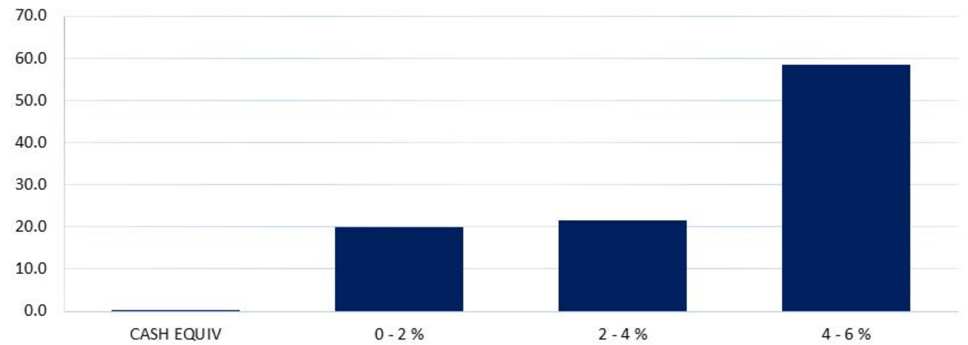
Expected Maturity Distribution



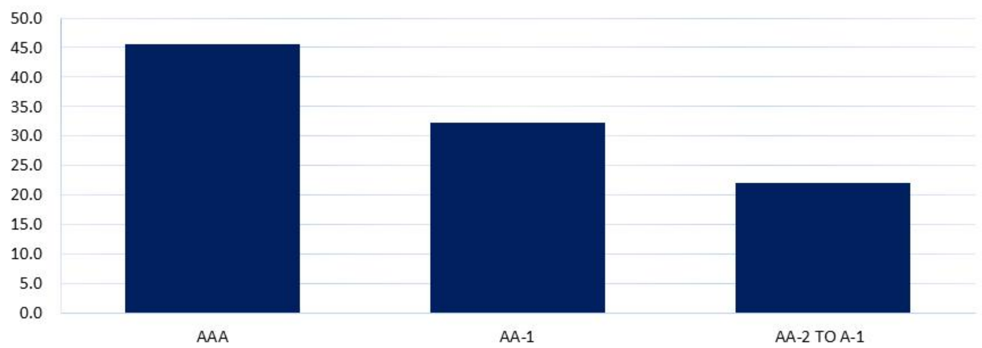
Portfolio Level Characteristics

	POOL 10 ST OPERATING
Weighted Average Life	0.78
Coupon	3.97
Effective Duration	0.76
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



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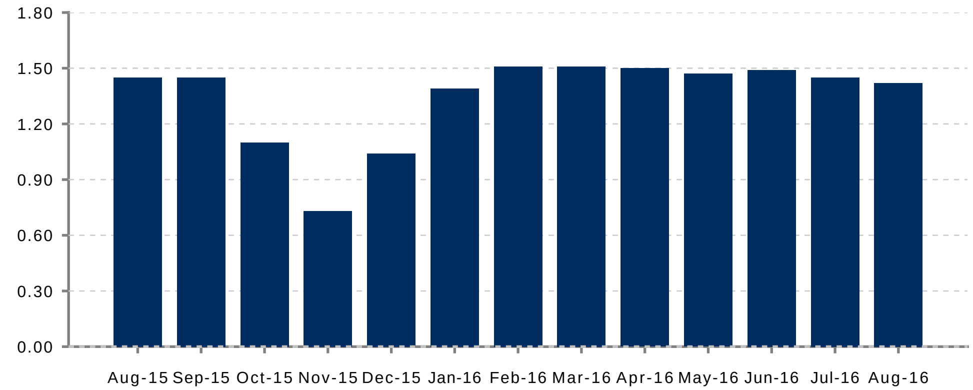
August 31, 2016

POOL 12 CAWCD MED TRM

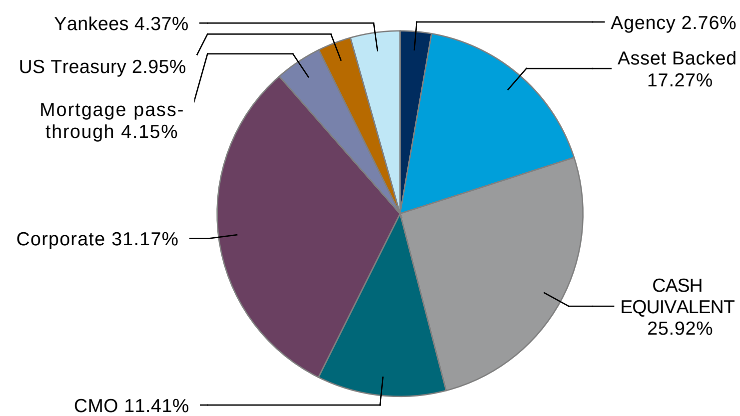
Net Yield



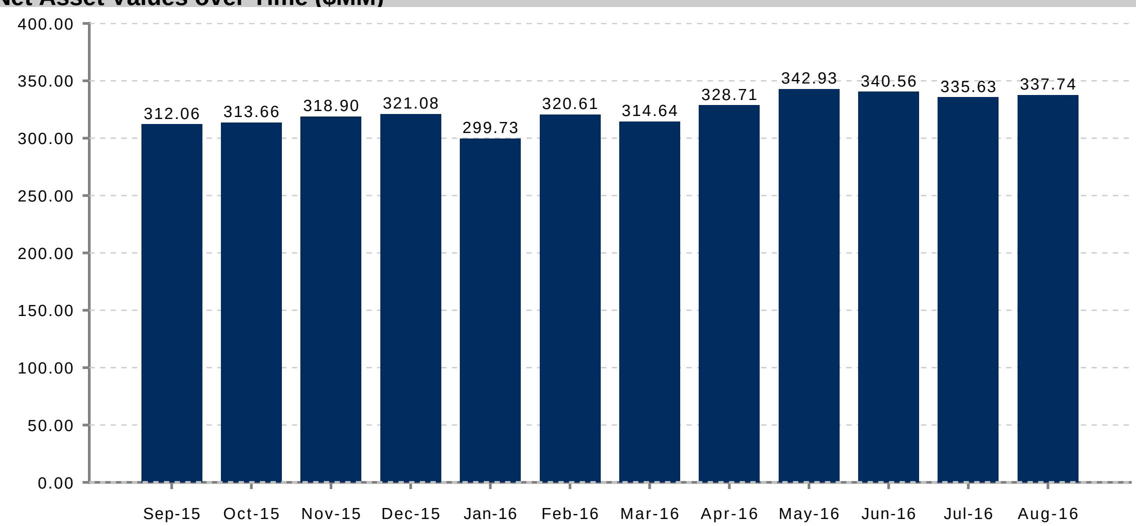
	Current Mth	Prior Mth	1 Year Ago
POOL 12 CAWCD MED TRM	1.42	1.45	1.45

Asset Allocation

	Ending Market Value
POOL 12 CAWCD MED TRM	337,740,054



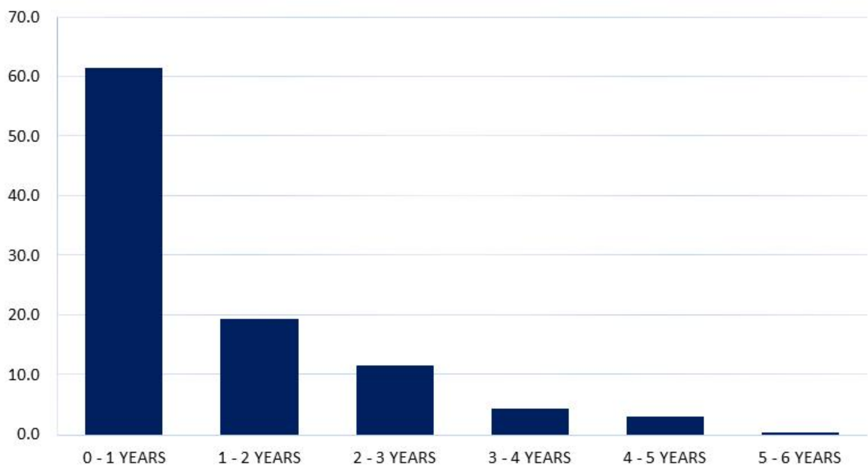
Net Asset Values over Time ($MM)



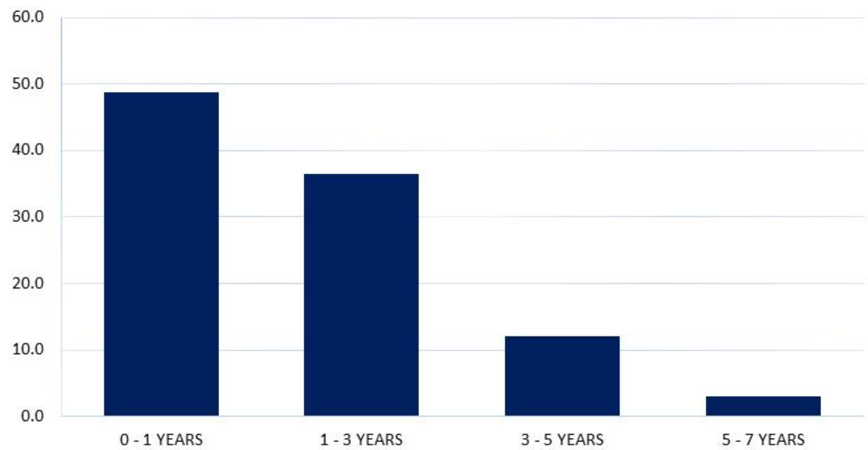
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 12 CAWCD MED TRM		
WELLS FARGO REPO	21,082,869	6.24
GM FINANCIAL AUTOMOBILE LEASIN	10,037,006	2.97
HONDA AUTO RECEIVABLES OWNER T	6,000,502	1.78
FNMA POOL AV9175	5,829,075	1.73
FANNIE MAE	5,461,013	1.62
APPLE INC	5,071,229	1.50
US TREASURY N/B	5,069,332	1.50
GOLDMAN SACHS GROUP INC	5,054,200	1.50
TOYOTA MOTOR CREDIT CORP	5,038,679	1.49
US TREASURY N/B	5,030,285	1.49

Duration Distribution



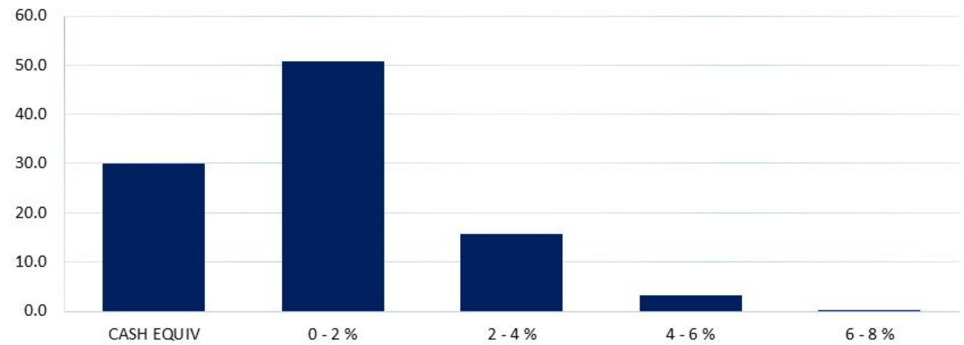
Expected Maturity Distribution



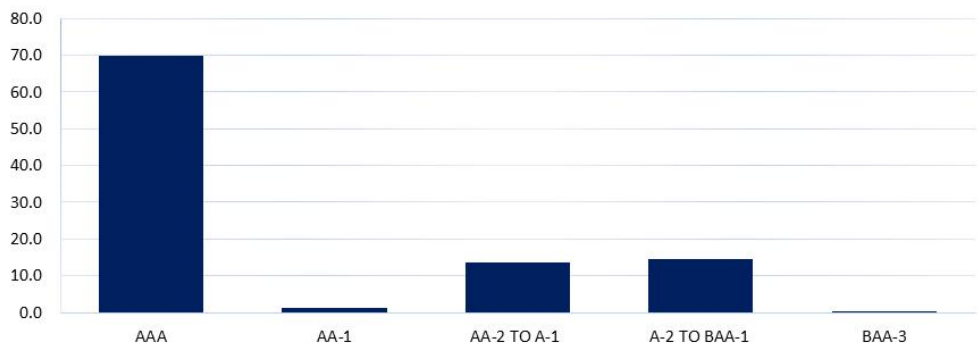
Portfolio Level Characteristics

	POOL 12 CAWCD MED TRM
Weighted Average Life	1.48
Coupon	1.51
Effective Duration	1.02
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution

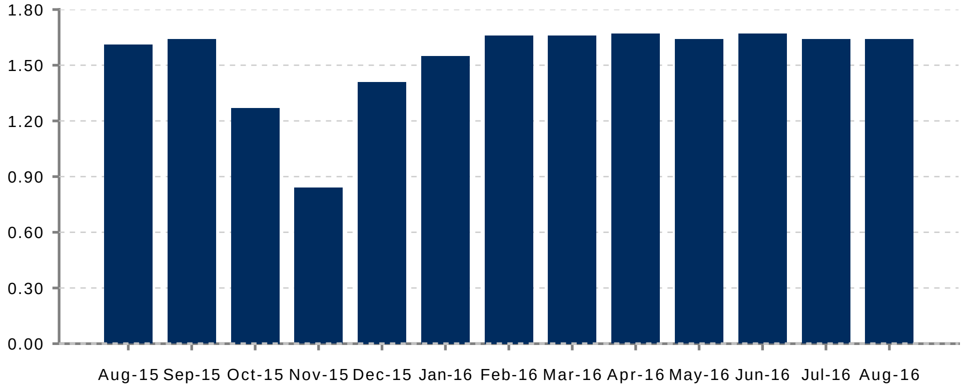


OFFICE OF THE ARIZONA STATE TREASURER

August 31, 2016

POOL 16 ECDHB

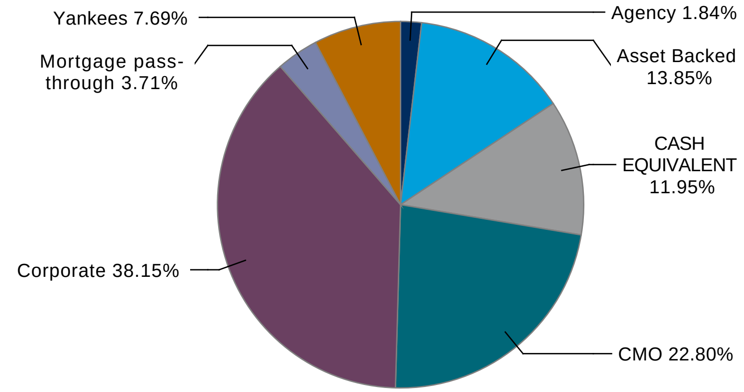
Net Yield



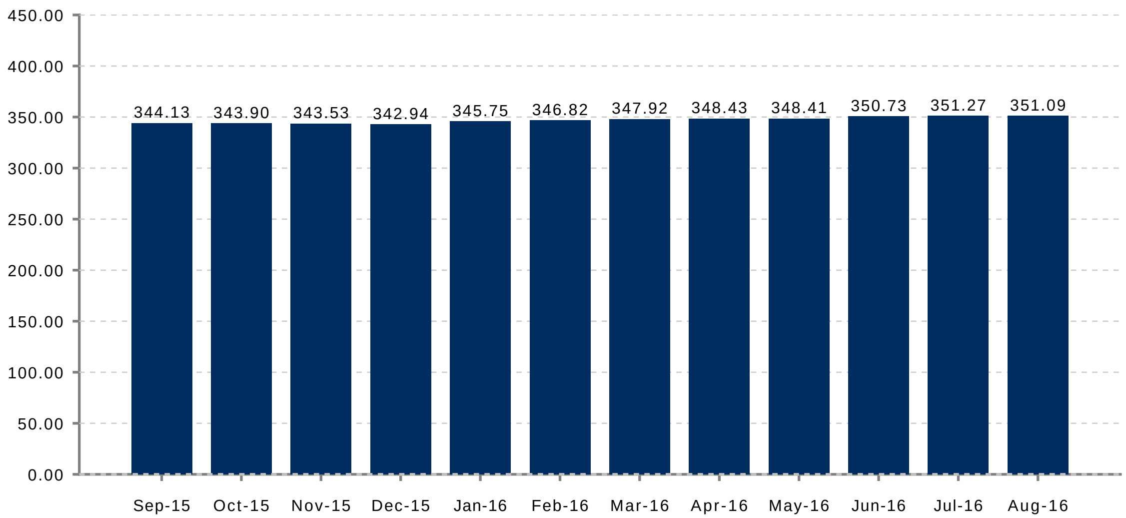
	Current Mth	Prior Mth	1 Year Ago
POOL 16 ECDHB	1.64	1.64	1.61

Asset Allocation

	Ending Market Value
POOL 16 ECDHB	351,090,135



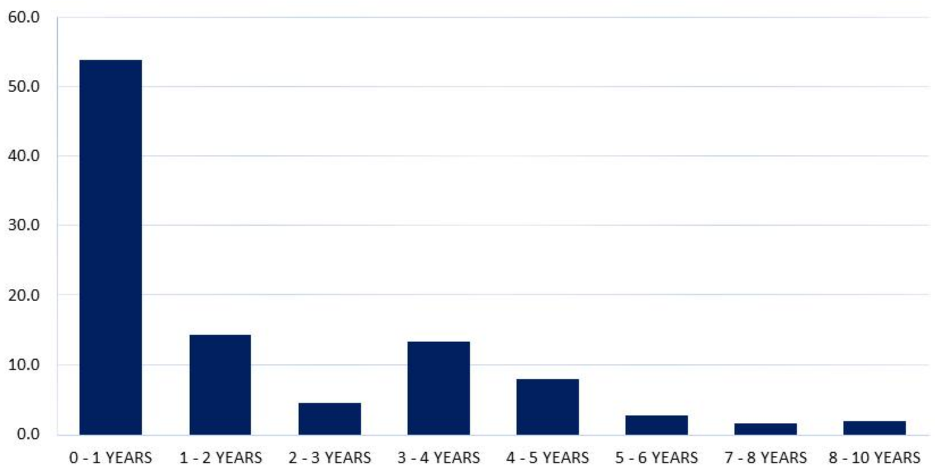
Net Asset Values over Time ($MM)



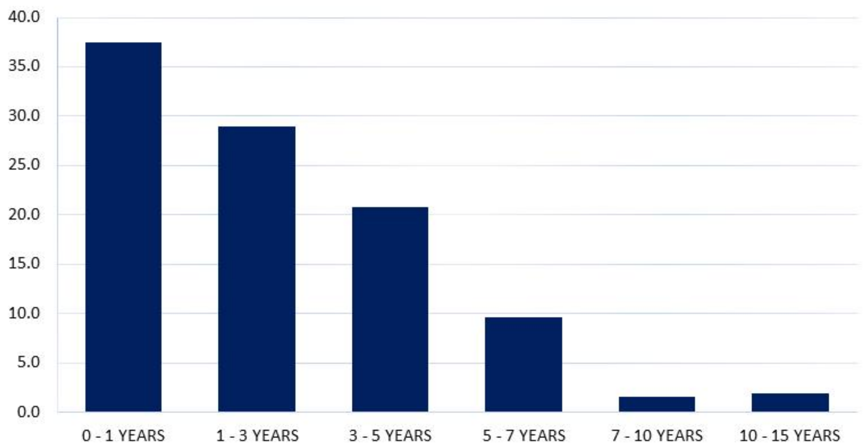
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 16 ECDHB		
FREDDIEMAC STRIP	7,366,928	2.10
NATIONAL CITY BANK	7,014,906	2.00
FANNIE MAE	6,606,365	1.88
FREDDIE MAC	6,090,594	1.73
FREDDIE MAC	5,687,870	1.62
FHLMC MULTIFAMILY STRUCTURED P	5,314,398	1.51
FREDDIE MAC	5,276,224	1.50
GOVERNMENT NATIONAL MORTGAGE A	5,213,464	1.48
FANNIE MAE	5,181,904	1.48
CHEVRON CORP	5,049,165	1.44

Duration Distribution



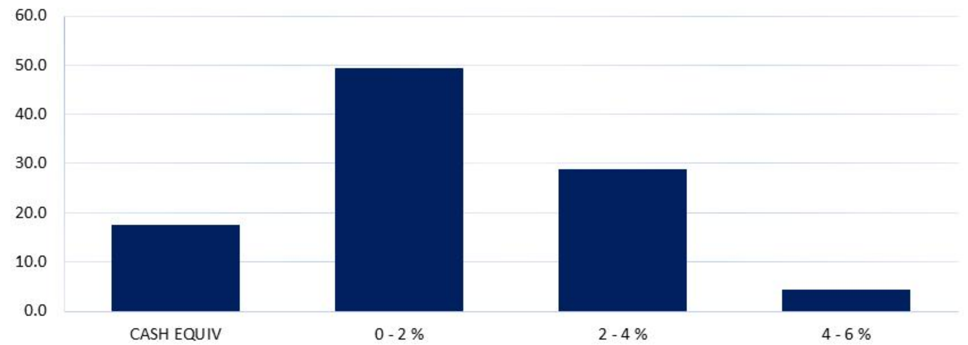
Expected Maturity Distribution



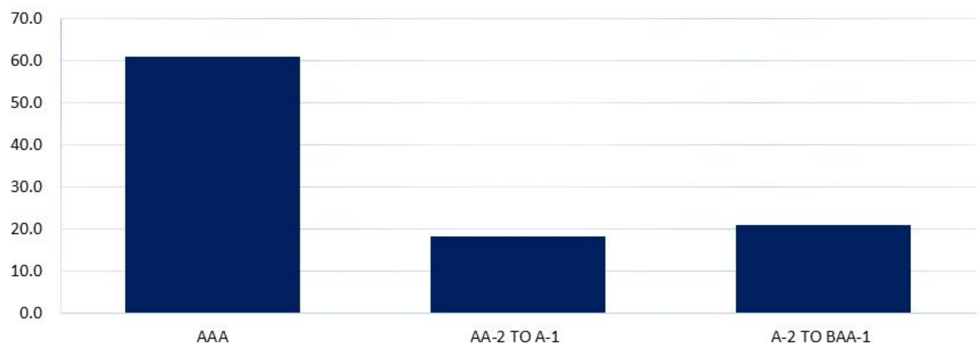
Portfolio Level Characteristics

	POOL 16 ECDHB
Weighted Average Life	2.35
Coupon	1.81
Effective Duration	1.66
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



LGIP & LGIP- GOV
PORTFOLIO YIELD ANALYSIS
AUGUST 2016

NET EARNINGS

FUND	DESCRIPTION	Current Month 08/31/16	Prior Month 07/31/16	Prior Year 08/31/15	Net Asset Value Per Share
5	**LGIP**	428,094	420,123	**150,370**	1.0000
7	**LGIP - GOV**	344,371	351,826	**92,535**	1.0000
	TOTAL LGIP & LGIP-GOV	**772,466**	**771,948**	**199,894**	

YIELDS

	MONTHLY	Current Month 08/31/16	Prior Month 07/31/16	Prior Year 8/31/15
5	**LGIP (NET)**	0.45%	0.43%	**0.17%**
	S & P LGIP INDEX	0.41%	0.40%	**0.08%**
7	**LGIP - GOV (NET)**	0.38%	0.37%	**0.11%**
	3 MONTH T-BILL	0.29%	0.29%	**0.06%**
	YEAR TO DATE			
5	**LGIP (NET)**	0.44%	0.43%	**0.15%**
	S & P LGIP INDEX	0.40%	0.40%	**0.07%**
7	**LGIP - GOV (NET)**	0.37%	0.37%	**0.10%**
	3 MONTH T-BILL	0.29%	0.29%	**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
AUGUST 2016

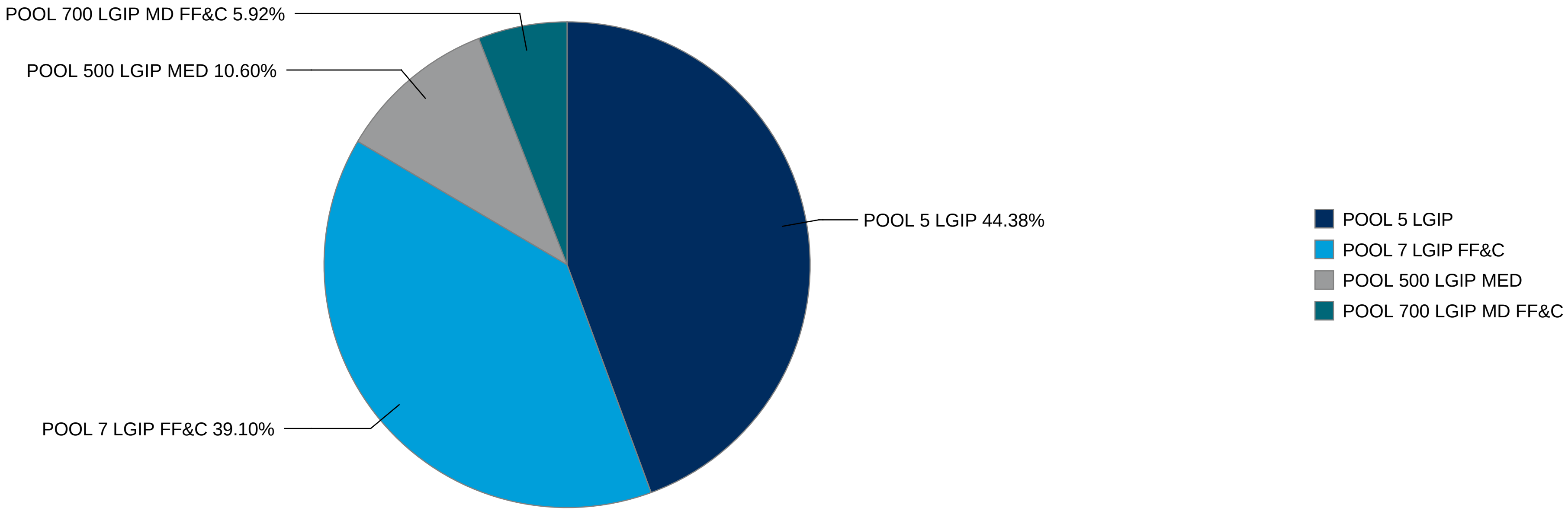
NET EARNINGS

FUND	DESCRIPTION	Current Month 08/31/16	Prior Month 07/31/16	Prior Year 08/31/15	Net Asset Value Per Share
500	**LGIP - MED TERM POOL**	299,779	275,415	**244,685**	1.0368
700	**LGIP - FF&C MED TERM POOL**	133,544	130,150	**125,794**	1.0134
	TOTAL LGIP MEDIUM TERM POOLS	**433,323**	**405,565**	**370,478**	

YIELDS

	MONTHLY	Current Month 08/31/16	Prior Month 07/31/16	Prior Year 8/31/15
500	**LGIP - MED TERM (NET)**	1.35%	1.28%	**1.20%**
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.16%	1.08%	**1.17%**
700	**LGIP - FF&C MED TERM (NET)**	1.08%	1.06%	**1.02%**
	75% MERRILL 1-5 US TREAS INDEX / 15% MERRILL US GNMA 15 YR INDEX / 10% MERRILL US 3 MO T-BILL INDEX	0.97%	0.83%	**1.05%**
	YEAR TO DATE			
500	**LGIP - MED TERM (NET)**	1.32%	1.28%	**1.18%**
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.12%	1.08%	**1.13%**
700	**LGIP - FF&C MED TERM (NET)**	1.07%	1.06%	**0.89%**
	75% MERRILL 1-5 US TREAS INDEX / 15% MERRILL US GNMA 15 YR INDEX / 10% MERRILL US 3 MO T-BILL INDEX	0.90%	0.83%	**1.02%**

Manager Allocation



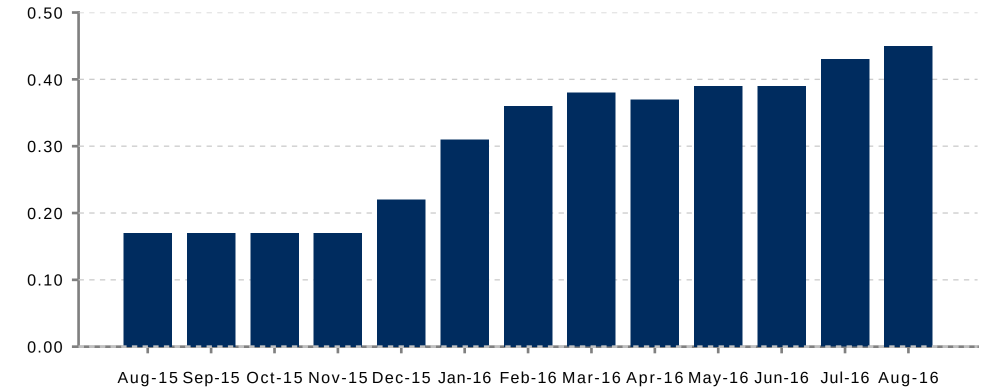
	Market Value	% of Portfolio
POOL 5 LGIP	1,095,883,014	44.4
POOL 7 LGIP FF&C	965,473,339	39.1
POOL 500 LGIP MED	261,629,249	10.6
POOL 700 LGIP MD FF&C	146,286,189	5.9
TOTAL LGIP	2,469,271,792	100.0

OFFICE OF THE ARIZONA STATE TREASURER

August 31, 2016

POOL 5 LGIP

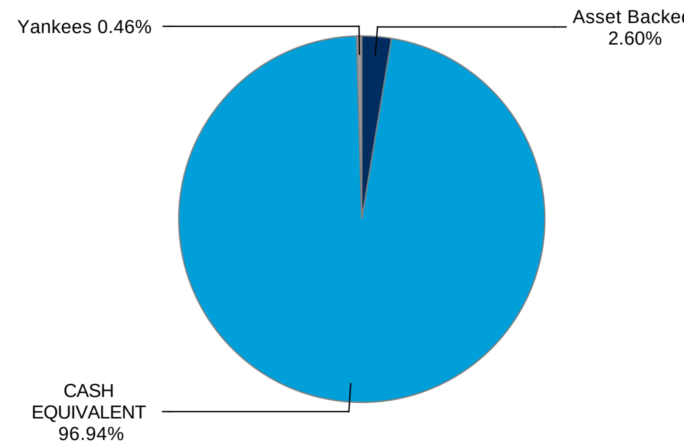
Net Yield



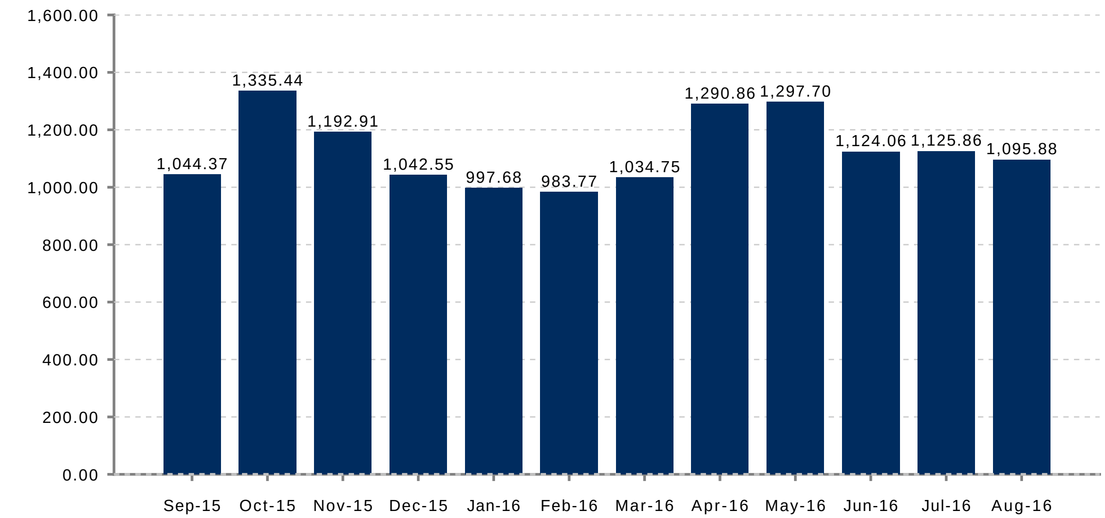
	Current Mth	Prior Mth	1 Year Ago
POOL 5 LGIP	0.45	0.43	0.17

Asset Allocation

	Ending Market Value
POOL 5 LGIP	1,095,883,014



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 5 LGIP		
WELLS FARGO REPO	150,009,917	13.69
BANK OF AMERICA REPO	100,000,778	9.13
FIDELITY INVESTMENTS MONEY	50,067,469	4.57
WELLS FARGO REPO	30,040,620	2.74
PHILIP MORRIS INTL	30,000,000	2.74
AUST & NEW ZEA	29,997,417	2.74
LEXINGTN PKR CAP CO LL	29,992,200	2.74
VICTORY RECEIVABLES	29,987,433	2.74
ANGLESEA FDG PLC & ANG	29,982,400	2.74
PFIZER INC	29,963,000	2.73

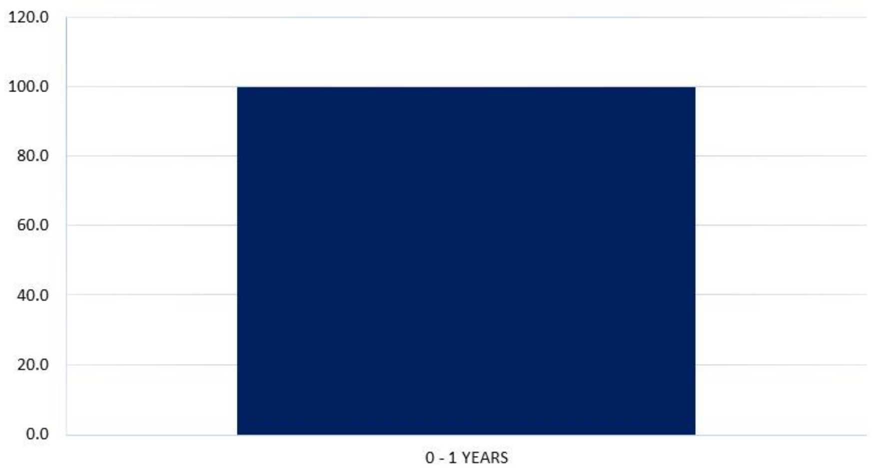
OFFICE OF THE ARIZONA STATE TREASURER

August 31, 2016

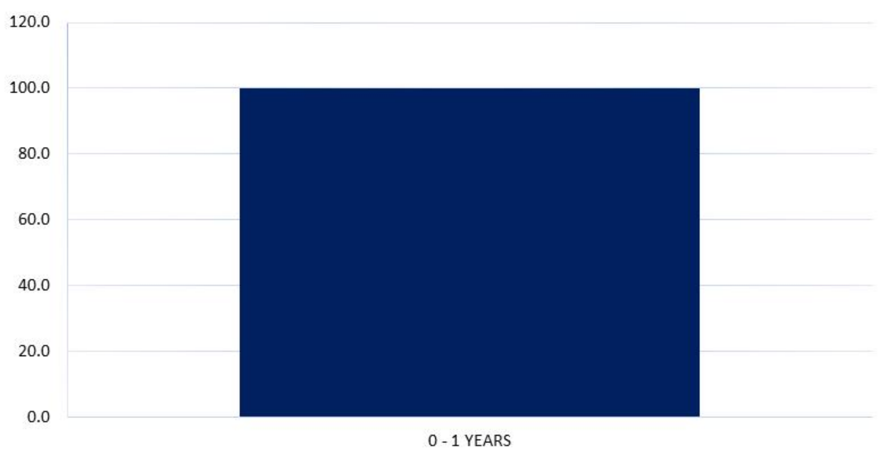
POOL 5 LGIP

STATE STREET.

Duration Distribution



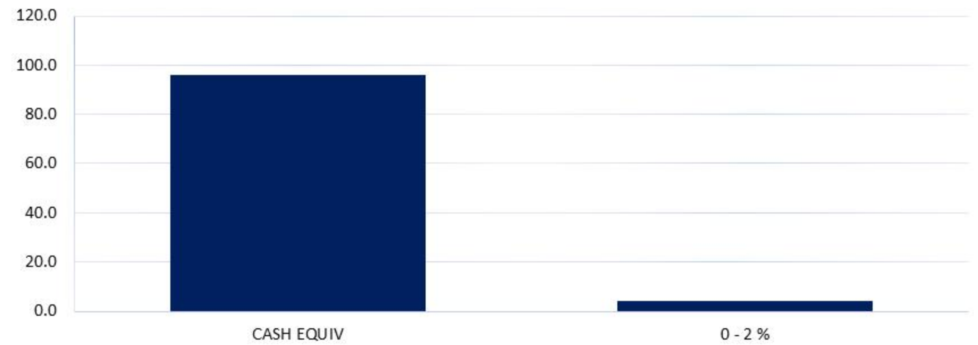
Expected Maturity Distribution



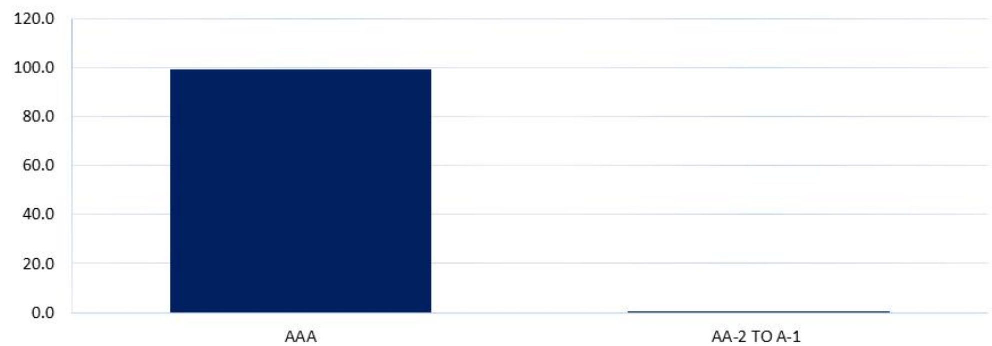
Portfolio Level Characteristics

	POOL 5 LGIP
Weighted Average Life	0.07
Coupon	0.06
Effective Duration	0.06
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



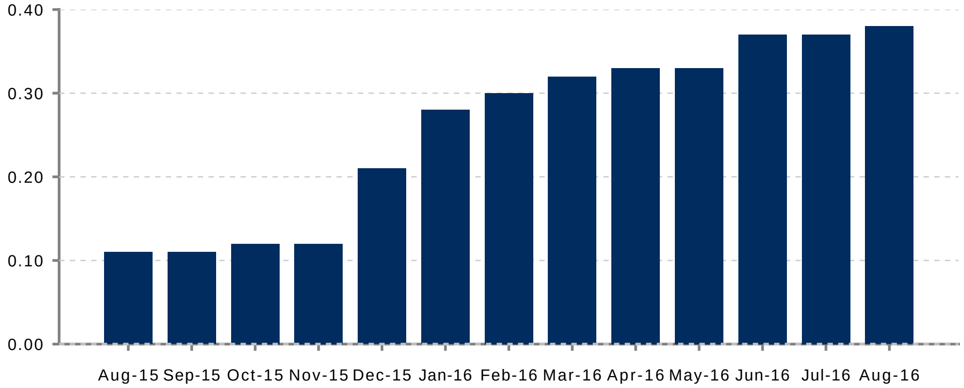
OFFICE OF THE ARIZONA STATE TREASURER

August 31, 2016

POOL 7 LGIP FF&C

STATE STREET.

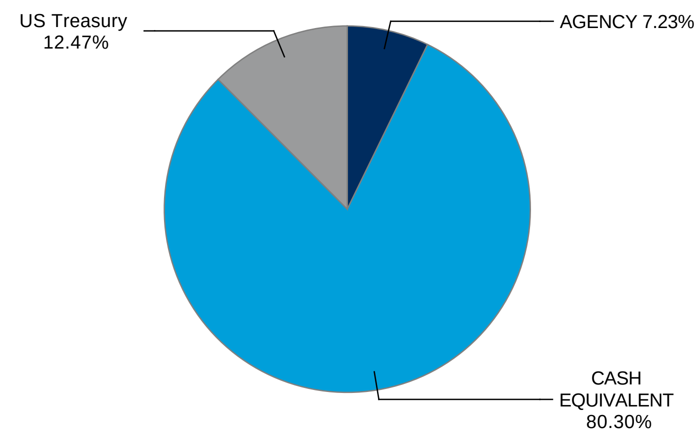
Net Yield



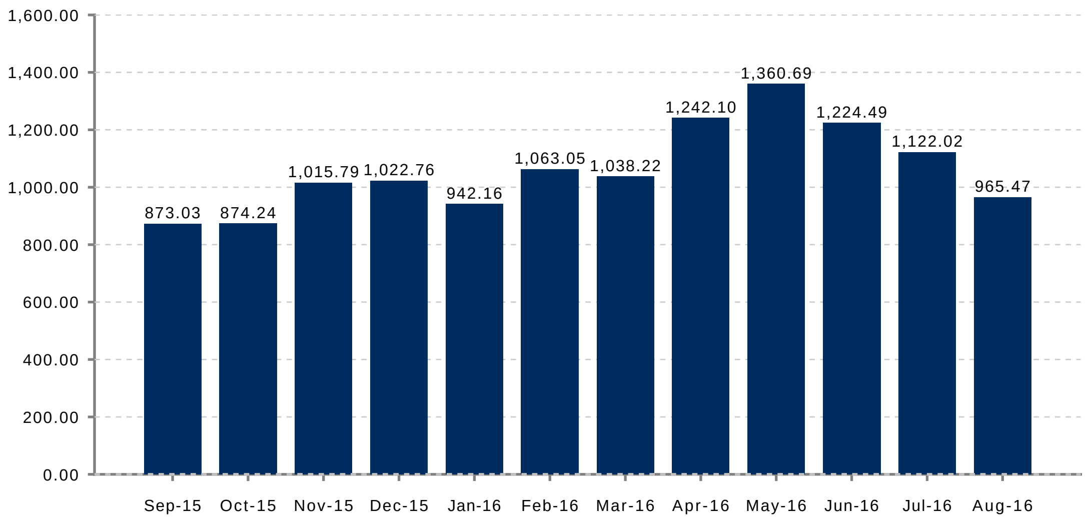
	Current Mth	Prior Mth	1 Year Ago
POOL 7 LGIP FF&C	0.38	0.37	0.11

Asset Allocation

	Ending Market Value
POOL 7 LGIP FF&C	965,473,339



Net Asset Values over Time ($MM)



Top 10 Holdings

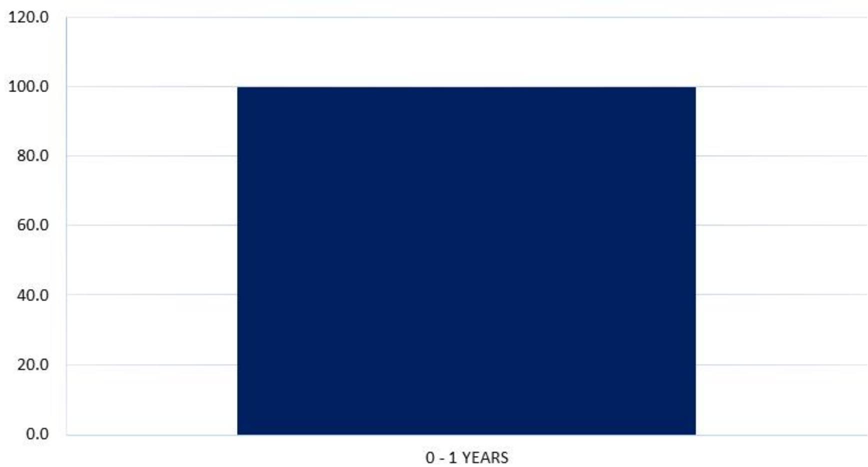
Security Name	Ending Market Value	% of Portfolio
POOL 7 LGIP FF&C		
DAIWA CAPITAL MARKETS REPO	200,002,222	20.72
WELLS FARGO REPO	150,009,917	15.54
ALLIANCE BANK OF ARIZONA MONEY	79,335,056	8.22
WELLS FARGO REPO	71,877,639	7.44
TREASURY BILL	69,790,700	7.23
FIDELITY INVESTMENTS MONEY	50,031,860	5.18
TREASURY BILL	49,865,900	5.16
TREASURY BILL	39,993,404	4.14
TREASURY BILL	39,926,960	4.14
TREASURY BILL	39,909,120	4.13

OFFICE OF THE ARIZONA STATE TREASURER

August 31, 2016

POOL 7 LGIP FF&C

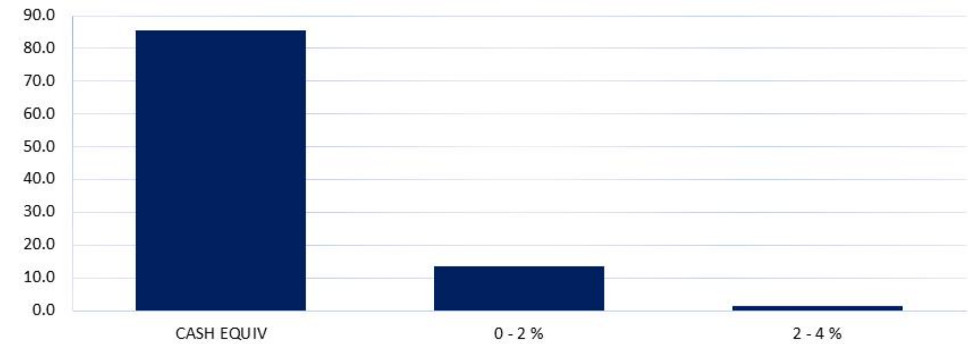
Duration Distribution



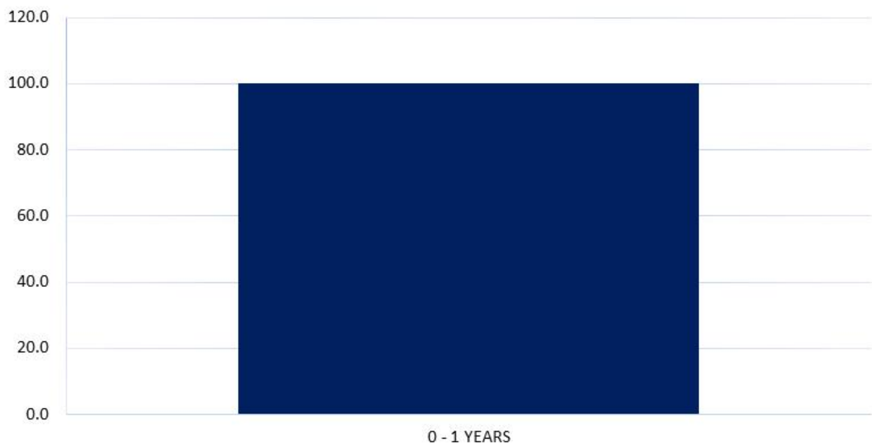
Portfolio Level Characteristics

	POOL 7 LGIP FF&C
Weighted Average Life	0.19
Coupon	0.30
Effective Duration	0.18
Quality Rating (Moody's)	AAA

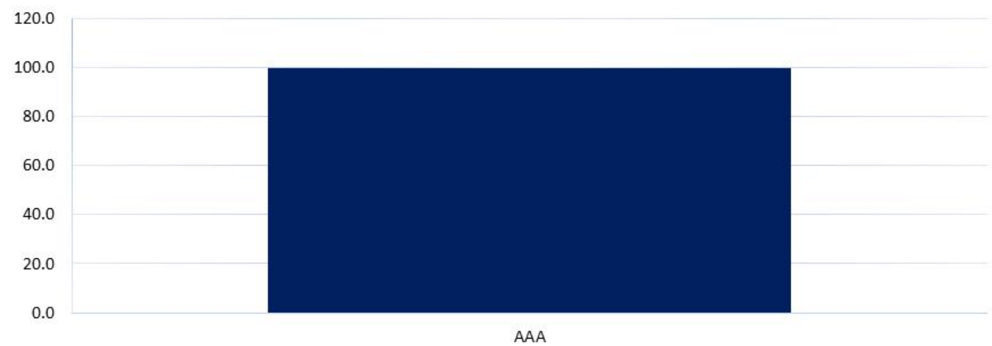
Coupon Distribution



Expected Maturity Distribution



Rating Distribution

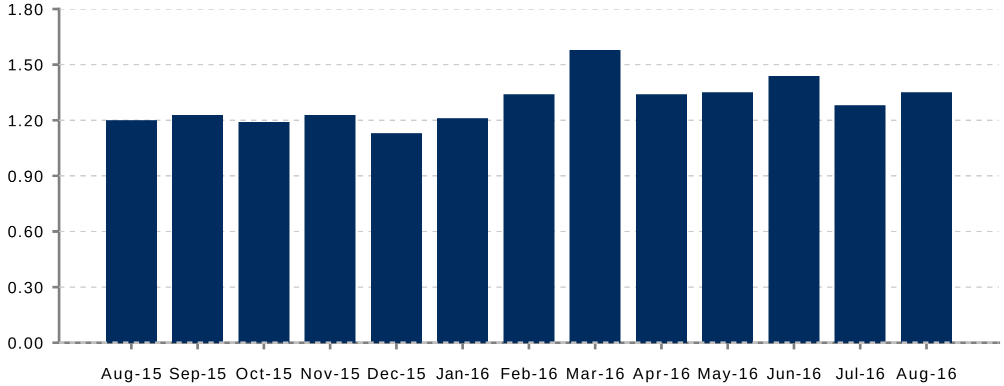


OFFICE OF THE ARIZONA STATE TREASURER

August 31, 2016

POOL 500 LGIP MED

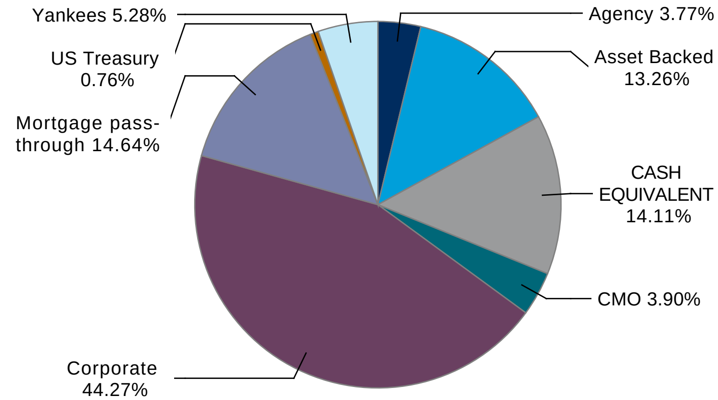
Net Yield



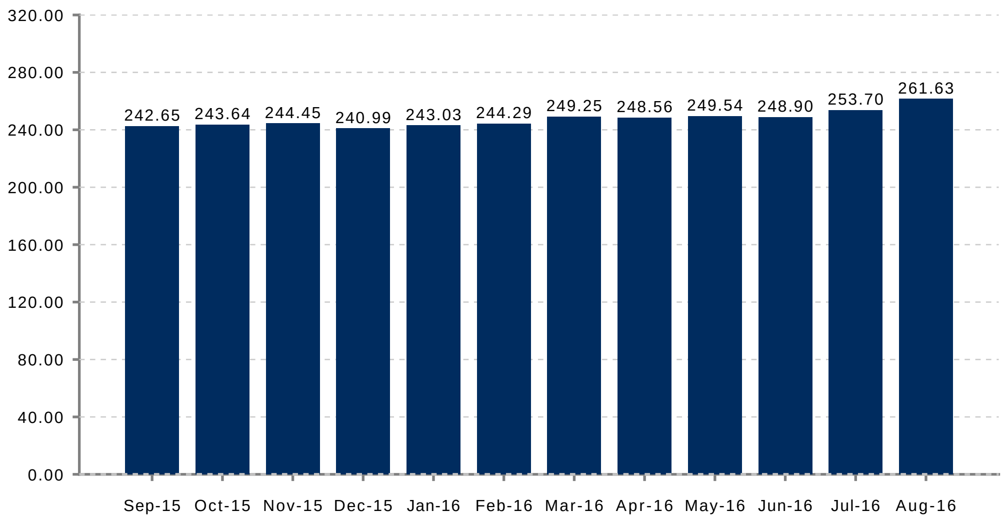
	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	1.35	1.28	1.20

Asset Allocation

	Ending Market Value
POOL 500 LGIP MED	261,629,249



Net Asset Values over Time ($MM)

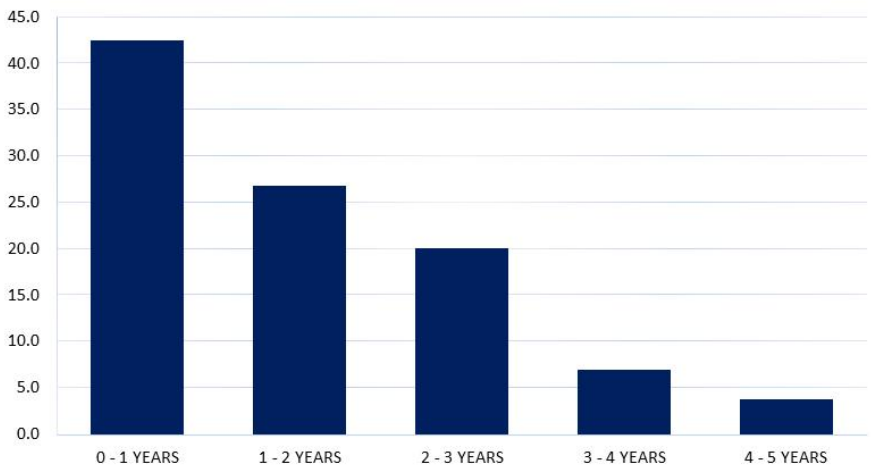


Top 10 Holdings

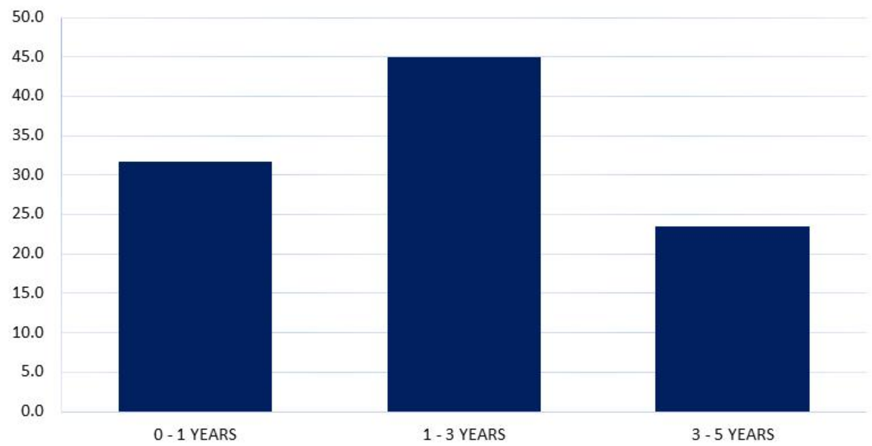
Security Name	Ending Market Value	% of Portfolio
POOL 500 LGIP MED		
GUGGENHEIM SECURITIES REPO	29,000,403	11.08
FNMA POOL AB5991	8,298,464	3.17
MICROSOFT CORP	8,149,811	3.12
MERCK + CO INC	5,521,098	2.11
CHEVRON CORP	5,049,165	1.93
NISSAN MOTOR ACCEPTANCE	5,048,246	1.93
ELI LILLY + CO	5,046,285	1.93
FORD CREDIT FLOORPLAN MASTER O	5,008,137	1.91
APPLE INC	4,993,763	1.91
TOYOTA MOTOR CREDIT CORP	4,960,617	1.90

STATE STREET.

Duration Distribution



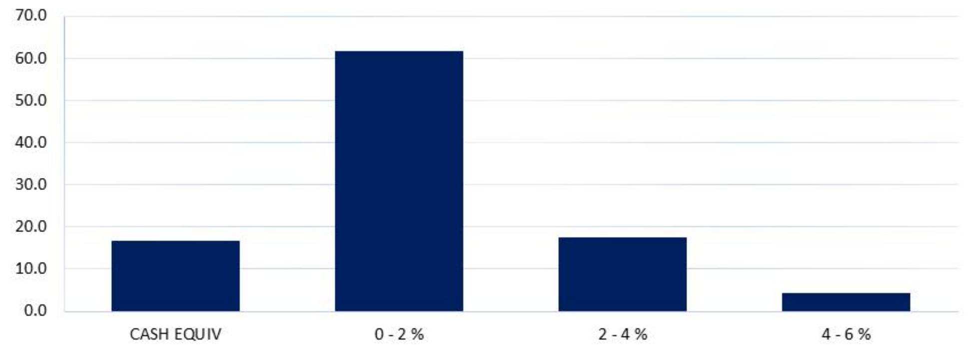
Expected Maturity Distribution



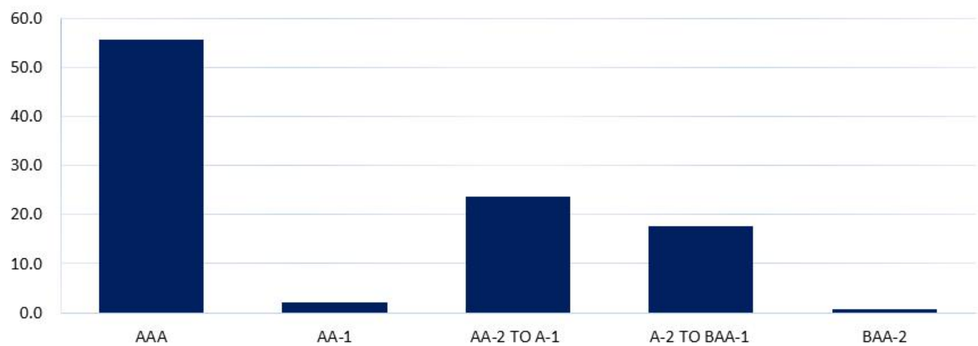
Portfolio Level Characteristics

	POOL 500 LGIP MED
Weighted Average Life	1.94
Coupon	1.76
Effective Duration	1.36
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



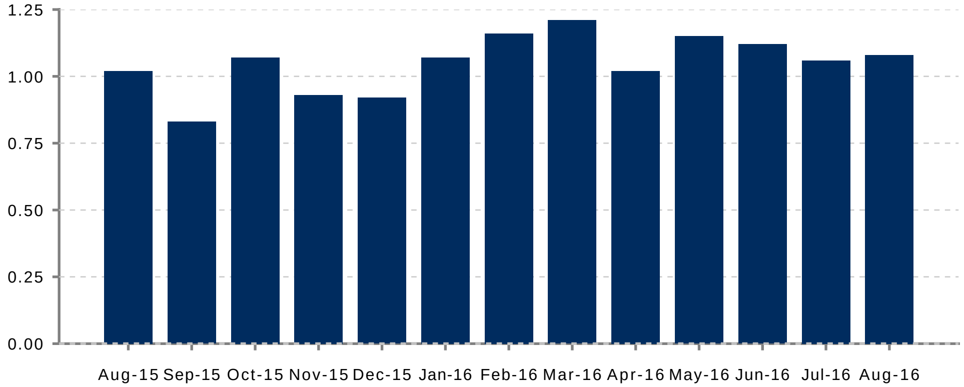
OFFICE OF THE ARIZONA STATE TREASURER

August 31, 2016

POOL 700 LGIP MD FF&C

STATE STREET.

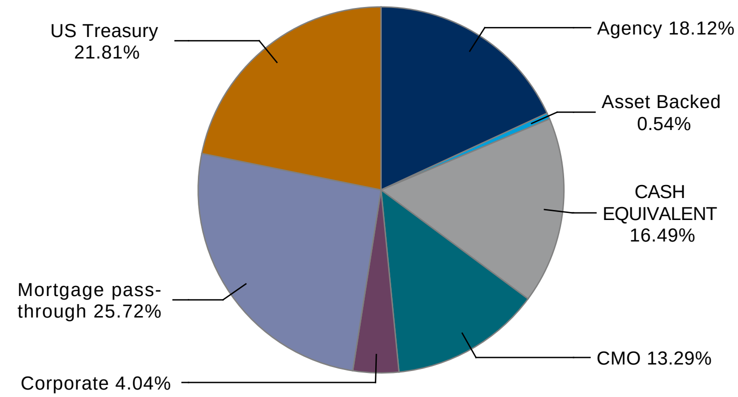
Net Yield



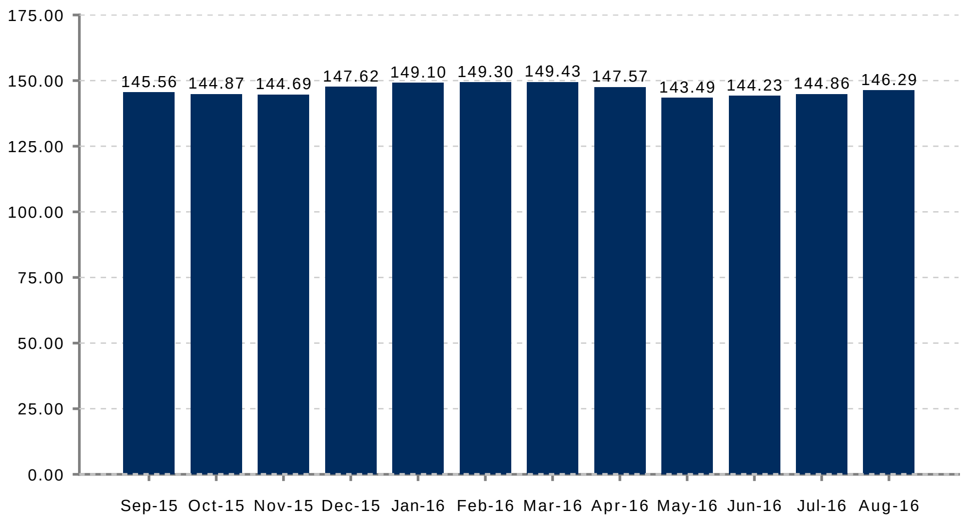
	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	1.08	1.06	1.02

Asset Allocation

	Ending Market Value
POOL 700 LGIP MD FF&C	146,286,189



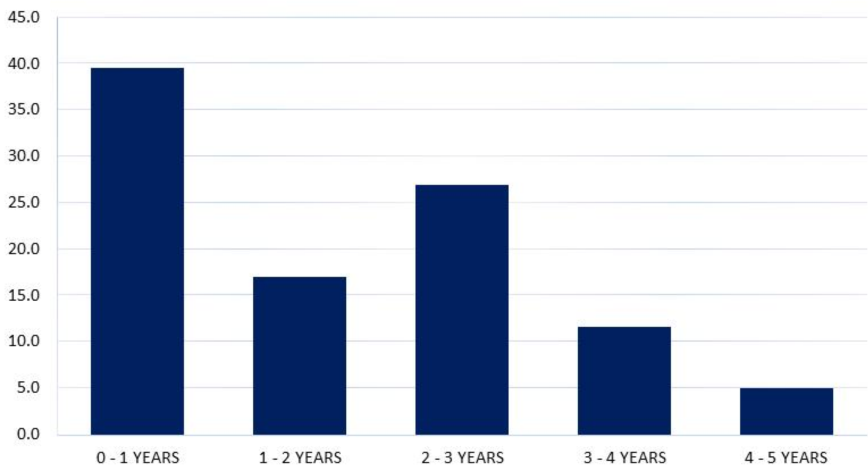
Net Asset Values over Time ($MM)



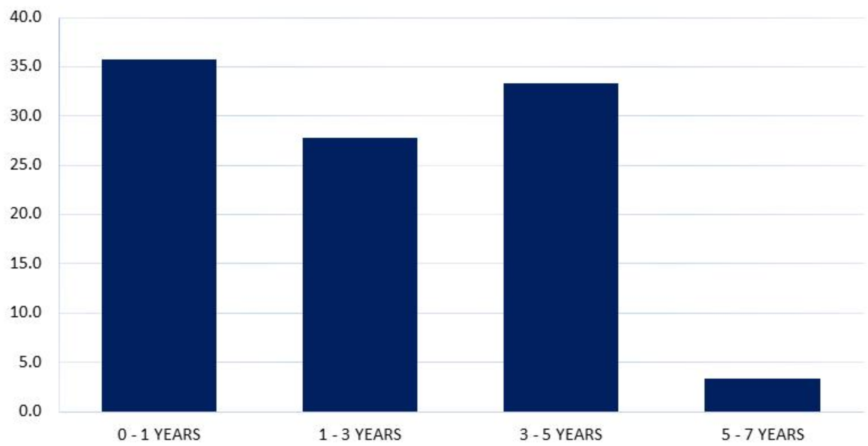
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 700 LGIP MD FF&C		
GUGGENHEIM SECURITIES REPO	21,000,292	14.36
US TREASURY N/B	5,014,591	3.43
US TREASURY N/B	5,006,079	3.42
AID ISRAEL	4,993,203	3.41
GNMA II POOL MA0213	4,826,894	3.30
OVERSEAS PRIVATE INV COR	4,490,550	3.07
PRIVATE EXPORT FUNDING	3,587,263	2.45
US TREASURY N/B	2,999,263	2.05
GNMA POOL 775134	2,899,342	1.98
GOVERNMENT NATIONAL MORTGAGE A	2,756,650	1.88

Duration Distribution



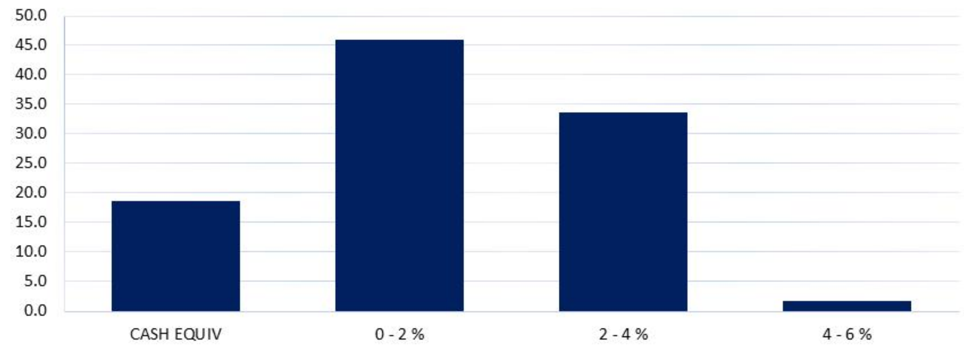
Expected Maturity Distribution



Portfolio Level Characteristics

	POOL 700 LGIP MD FF&C
Weighted Average Life	2.14
Coupon	1.72
Effective Duration	1.68
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution

EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
AUGUST 2016

Recipient		Distributed in Current Month AUGUST 2016	Fiscal YTD 16/17	Fiscal YTD 15/16
101	A & M Colleges	$62,695	$125,390	$41,982
102	State Hospital	$39,692	$79,384	$26,031
103	Leg., Exec., & Jud.	$51,413	$102,826	$34,232
104	Military Institute	$3,456	$6,912	$2,331
105	Miners Hospital	$126,965	$253,930	$78,621
107	Normal School ASU/NAU	$23,855	$47,710	$15,498
108	Penitentiaries	$85,542	$171,084	$54,731
109	Permanent Common School	$22,463,210	$44,926,420	$14,530,869
110	School for Deaf & Blind	$33,142	$66,285	$21,857
111	School of Mines	$70,914	$141,828	$47,461
112	State Charitable-Pioneers Home	$346,473	$692,946	$230,322
112	State Charitable-Corrections	$173,236	$346,473	$115,161
112	State Charitable-Youth Treatment	$173,236	$346,473	$115,161
113	University Fund	$122,961	$245,921	$80,614
114	U of A Land - 1881	$384,475	$768,951	$233,589
	Total	**$24,161,266**	**$48,322,532**	**$15,628,460**

Land Sales Monthly Proceeds
Endowment Funds

	Year						
Month	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
January	3,622,868.55	21,196,074.71	85,209,777.01	29,493,046.28	7,126,211.56	5,108,687.17	
February	8,915,154.72	92,150,172.81	24,412,865.22	33,969,800.59	2,535,243.50	1,083,177.76	
March	1,244,602.03	1,015,640.38	13,469,846.94	1,323,548.74	1,096,232.05	1,106,859.54	
April	2,413,502.46	1,796,773.65	4,599,023.88	2,252,527.11	1,968,280.90	28,981,968.64	
May	1,889,780.18	926,085.06	12,685,870.73	1,100,260.56	19,123,417.30	20,147,116.27	
June	3,446,619.87	22,369,423.34	6,493,350.52	4,564,719.20	33,179,898.41	31,844,677.79	
July	2,803,278.12	823,327.93	5,694,705.30	4,196,737.56	6,092,396.05	2,469,997.05	
August	3,470,995.89	33,621,310.51	2,304,138.37	24,838,429.94	1,038,970.78	13,094,287.08	
September	5,202,039.54	17,307,220.68	10,399,638.98	1,960,672.85	1,967,125.20		
October	5,799,334.80	1,403,700.22	1,240,496.83	3,150,170.16	2,366,518.63		
November	2,045,106.93	5,131,627.46	8,995,327.48	34,193,583.02	1,358,710.81		
December	5,123,132.98	28,846,813.20	3,574,630.63	1,136,538.16	4,264,354.38		
Calendar Year	45,976,416.07	226,588,169.95	179,079,671.89	142,180,034.17	82,117,359.57	103,836,771.30	-
Fiscal Year (July 1st to June 30th)	139,820,629.67	163,898,058.21	234,004,734.30	104,912,840.07	134,505,415.41	105,360,563.02	15,564,284.13

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	August 2016 NET GAIN(LOSS)	August 2015 NET GAIN(LOSS)
Fixed Income Pool	(375,600)	**(223,110)**
500 Large-Cap Fund	1,036,369	**621,265**
400 Mid-Cap Fund	1,091,541	**3,945,406**
600 Small-Cap Fund	4,151,118	**1,608,708**
Totals	**5,903,427**	**5,952,269**

Endowment Fund	2016/2017 FISCAL YEAR TO DATE GAINS(LOSSES)	2015/2016 FISCAL YEAR TO DATE GAINS(LOSSES)
Fixed Income Pool	(819,946)	**180,669**
500 Large-Cap Fund	1,496,953	**3,440,608**
400 Mid-Cap Fund	1,091,541	**7,306,772**
600 Small-Cap Fund	4,225,479	**10,337,945**
Totals	**5,994,027**	**21,265,995**

ENDOWMENT FUNDS FIXED-INCOME POOLS
PURCHASES & SALES
AUGUST 2016

I. Endowment Funds Purchases

POOL	SECURITY DESCRIPTION	RATE	MATURITY	*WAL YEARS	PAR VALUE	PURCHASE COST	YIELD	MOODY'S / S&P RATING
205	MATTEL INC.	2.35	8/15/2021	NA	$3,000,000	$2,996,460	2.37%	Baa1/BBB
205	SHEFFIELD RCVBLE	1.00	11/30/2016	NA	$15,000,000	$14,954,167	1.00%	P-1/NR
205	BANK OF NY MELLON	2.20	8/16/2023	NA	$15,000,000	$14,973,900	2.23%	A1/A
205	FREMF MORTGAGE	3.51	7/25/2022	5.90	$5,000,000	$4,953,015	3.64%	Baa2/NR
205	GNMA MORTGAGE	6.00	8/20/2046	4.07	$8,707,929	$9,813,473	2.65%	Aaa/AA+
123	SHEFFIELD RCVBLE	1.00	11/30/2016	NA	$15,000,000	$14,954,167	1.00%	P-1/NR
123	MOUNTCLIFF FUNDING	0.97	10/31/2016	NA	$5,000,000	$4,989,222	0.97%	P-1/A-1
	TOTAL ENDOWMENT FUNDS PURCHASES				**$66,707,929**	**$67,634,403**		

II. Endowment Funds Sales

SECURITY DESCRIPTION	RATE	MATURITY	PAR VALUE	AMORTIZED COST/PROCEEDS	SALES GAINS/(LOSSES)	MOODY'S / S&P RATING
TOTAL ENDOWMENT FUNDS SALES			**$0**	**$0**	**$0**	

*WAL is the weighted average life of the security based on the Bloomberg calculation at the time the trade is executed. The calculation is used only with mortgage-backed pass-through/CMO securities.

EQUITY FUNDS
PURCHASES & SALES
AUGUST 2016

I. Equity Fund Purchases

	SHARES	PURCHASE COST	COMMISSIONS
400 Mid-Cap Fund	119,240	$4,321,534	$515
500 Large-Cap Fund	71,759	$2,287,098	$538
600 Small-Cap Fund	271,401	$6,410,070	$2,036
TOTAL EQUITY PURCHASES	**462,400**	**$13,018,702**	**$3,089**

II. Equity Funds Sales

	SHARES	SALES AMOUNT	COMMISSIONS
400 Mid-Cap Fund	281,582	$6,663,207	$2,112
500 Large-Cap Fund	56,268	$10,513,284	$422
600 Small-Cap Fund	153,521	$7,371,241	$772
TOTAL EQUITY SALES	**491,371**	**$24,547,731**	**$3,306**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
AUGUST 31, 2016
(In Thousands)

FUND	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
101	A & M Colleges					
	Shares in Equity Pools	437	3,074	7,733	4,659	
	Shares in Fixed Income Pools	4,399	3,149	4,911	1,762	
	Total	4,836	6,223	12,645	6,421	**2.032**
102	State Hospital					
	Shares in Equity Pools	295	2,160	5,212	3,052	
	Shares in Fixed Income Pools	3,040	2,364	3,395	1,031	
	Total	3,335	4,524	8,607	4,083	**1.903**
103	Leg., Exec, & Jud					
	Shares in Equity Pools	352	2,647	6,229	3,583	
	Shares in Fixed Income Pools	3,764	2,692	4,203	1,511	
	Total	4,117	5,339	10,433	5,094	**1.954**
104	Military Institute					
	Shares in Equity Pools	23	166	404	238	
	Shares in Fixed Income Pools	250	170	279	109	
	Total	273	336	683	347	**2.032**
105	Miners Hospital					
	Shares in Equity Pools	1,020	9,034	18,047	9,012	
	Shares in Fixed Income Pools	10,304	8,973	11,505	2,532	
	Total	11,324	18,007	29,551	11,544	**1.641**
107	Normal School ASU/NAU					
	Shares in Equity Pools	183	1,467	3,240	1,773	
	Shares in Fixed Income Pools	1,892	1,468	2,113	644	
	Total	2,075	2,936	5,353	2,418	**1.824**
108	Penitentiaries					
	Shares in Equity Pools	690	5,848	12,210	6,362	
	Shares in Fixed Income Pools	7,084	5,834	7,909	2,075	
	Total	7,774	11,682	20,120	8,437	**1.722**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
AUGUST 31, 2016
(In Thousands)

	NAME OF FUND	SHARES OUTSTANDING	BOOK VALUE	MARKET VALUE	UNREALIZED GAINS (LOSSES)	**Mkt Value/ Book Value**
109	Permanent Common School					
	Shares in Equity Pools	169,406	1,355,284	2,997,577	1,642,293	
	Shares in Fixed Income Pools	1,712,749	1,392,699	1,912,300	519,601	
	Total	1,882,155	2,747,983	4,909,877	2,161,894	**1.787**
110	School for Deaf & Blind					
	Shares in Equity Pools	233	1,753	4,118	2,365	
	Shares in Fixed Income Pools	2,621	1,982	2,926	944	
	Total	2,853	3,735	7,044	3,308	**1.886**
111	School of Mines					
	Shares in Equity Pools	491	3,680	8,689	5,009	
	Shares in Fixed Income Pools	5,066	3,759	5,657	1,897	
	Total	5,557	7,440	14,346	6,906	**1.928**
112	State Charitable					
	Shares in Equity Pools	4,965	37,407	87,862	50,455	
	Shares in Fixed Income Pools	48,633	38,579	54,299	15,721	
	Total	53,598	75,985	142,161	66,176	**1.871**
113	University Fund					
	Shares in Equity Pools	895	7,088	15,833	8,744	
	Shares in Fixed Income Pools	9,245	7,047	10,322	3,275	
	Total	10,140	14,135	26,155	12,020	**1.850**
114	U Of A Land - 1881					
	Shares in Equity Pools	3,107	28,640	54,976	26,336	
	Shares in Fixed Income Pools	31,850	27,010	35,560	8,551	
	Total	34,957	55,650	90,536	34,887	**1.627**
	TOTALS - ALL FUNDS					
	Shares in Equity Pools	182,097	1,458,250	3,222,131	1,763,881	
	Shares in Fixed Income Pools	1,840,897	1,495,725	2,055,379	559,653	
	Grand Total	**2,022,994**	**2,953,975**	**5,277,510**	**2,323,535**	
	PRIOR YEAR: AUGUST 2015 BALANCES	**1,972,335**	**2,989,424**	**5,014,504**	**2,025,080**	

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
AUGUST 31, 2016

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	**BOOK VALUE**	MARKET VALUE	AUGUST 2015 MARKET VALUE
Shares in Equity Pools	9.00%	**49.37%**	61.05%	62.15%
Shares in Fixed Income Pools	91.00%	**50.63%**	38.95%	37.85%
Total	100.00%	**100.00%**	100.00%	100.00%

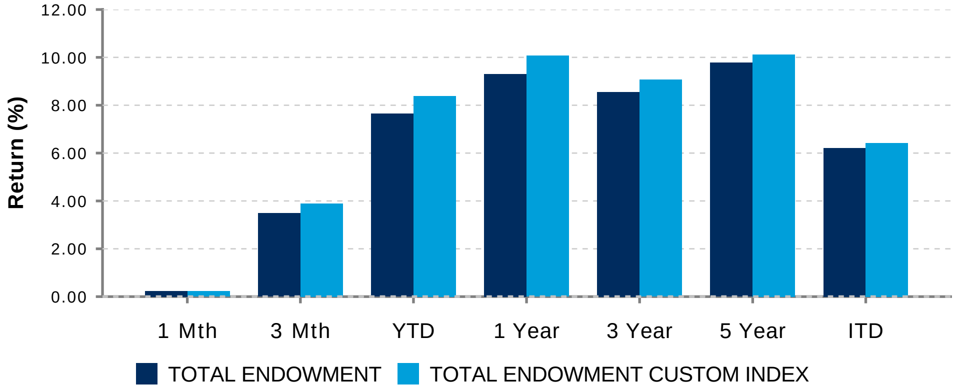
OFFICE OF THE ARIZONA STATE TREASURER

August 31, 2016

Total Endowment Summary

STATE STREET.

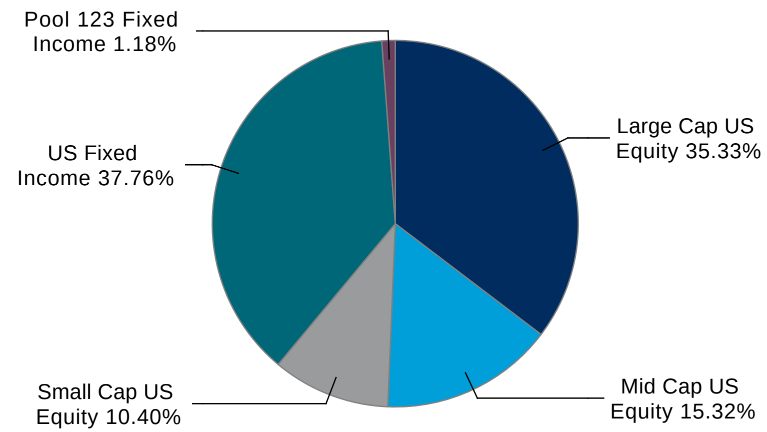
Performance



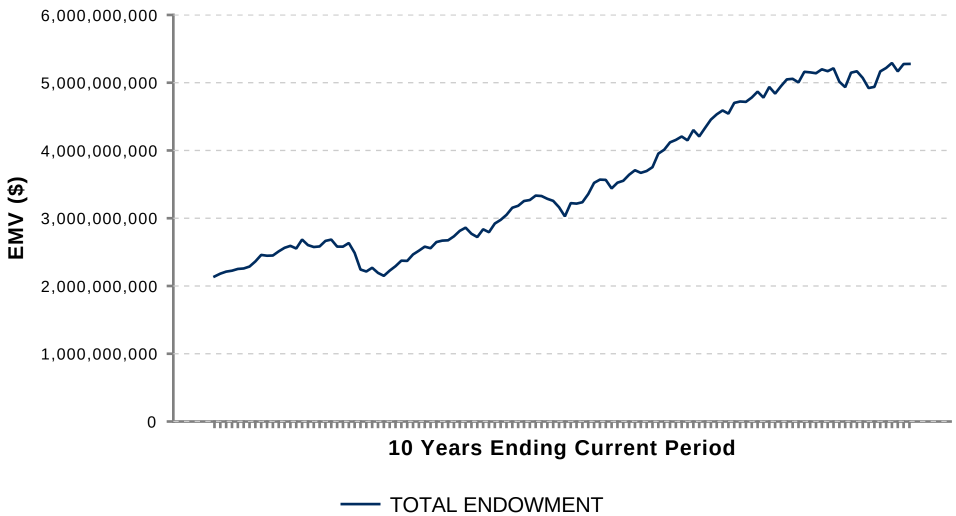
	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Incept Date
TOTAL ENDOWMENT	0.24	3.49	7.64	9.30	8.55	9.78	6.21	07/99
TOTAL ENDOWMENT CUSTOM INDEX	0.23	3.89	8.39	10.07	9.07	10.12	6.42	07/99
Excess	0.00	-0.40	-0.75	-0.77	-0.52	-0.35	-0.21	

Asset Allocation

	Ending Market Value
TOTAL ENDOWMENT	5,277,510,164

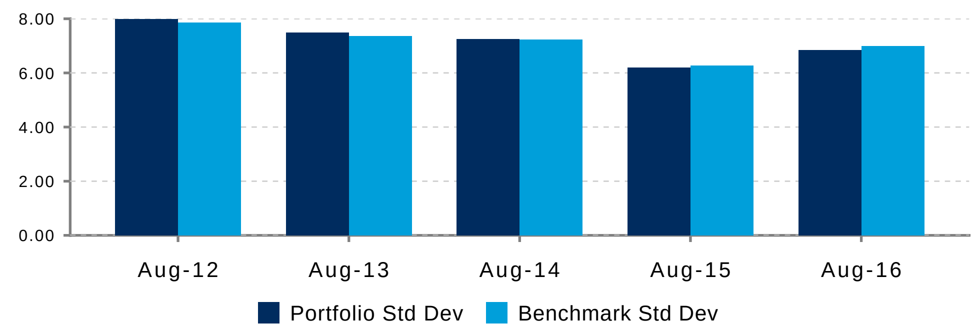


Ending Market Value



3 Year Risk Statistics

	Return	Portfolio Std Dev	Benchmark Std Dev	Sharpe Ratio	Beta	Tracking Error	Information Ratio
TOTAL ENDOWMENT	8.55	6.84	6.99	1.23	0.98	0.32	-1.62



OFFICE OF THE ARIZONA STATE TREASURER

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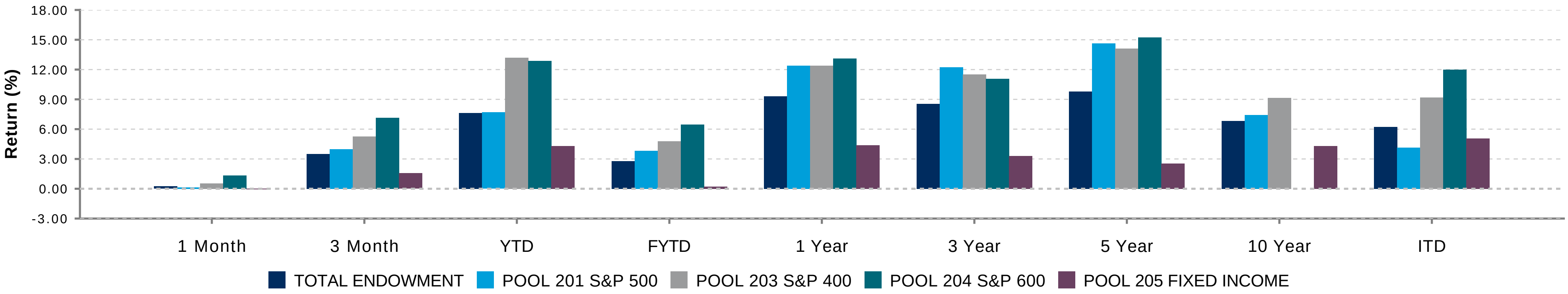
Total Returns Net Mgr

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	5,277,510,164	100.00	0.24	3.49	7.64	2.78	9.30	8.55	9.78	6.83	6.21	Jul-01-99
TOTAL ENDOWMENT CUSTOM INDEX			0.23	3.89	8.39	2.97	10.07	9.07	10.12	7.17	6.42	Jul-01-99
Excess			0.00	-0.40	-0.75	-0.19	-0.77	-0.52	-0.35	-0.34	-0.21	
POOL 201 S&P 500	1,864,785,828	35.33	0.14	3.99	7.69	3.82	12.38	12.22	14.62	7.44	4.14	Jul-01-99
S&P 500 INDEX (DAILY)			0.14	4.10	7.82	3.83	12.55	12.30	14.69	7.51	4.69	Jul-01-99
Excess			0.00	-0.11	-0.13	-0.01	-0.17	-0.08	-0.06	-0.07	-0.54	
POOL 203 S&P 400	808,539,396	15.32	0.53	5.26	13.18	4.79	12.39	11.50	14.13	9.14	9.19	Aug-01-01
S&P 400 MIDCAP INDEX (DAILY)			0.50	5.25	13.12	4.81	12.33	11.45	14.07	9.26	9.20	Aug-01-01
Excess			0.03	0.01	0.06	-0.02	0.06	0.04	0.06	-0.12	-0.01	
POOL 204 S&P 600	548,806,181	10.40	1.33	7.15	12.86	6.46	13.13	11.07	15.23		11.99	Mar-01-11
S&P SM 600 TR			1.36	7.16	13.15	6.52	13.26	11.03	15.18		11.97	Mar-01-11
Excess			-0.02	-0.02	-0.29	-0.06	-0.13	0.05	0.06		0.03	
POOL 205 FIXED INCOME	1,992,880,295	37.76	-0.08	1.56	4.32	0.21	4.37	3.29	2.53	4.30	5.07	Jul-01-99
CITIGROUP BIG (DAILY)			-0.09	2.37	5.94	0.55	6.01	4.37	3.24	4.97	5.45	Jul-01-99
Excess			0.01	-0.80	-1.62	-0.34	-1.64	-1.08	-0.70	-0.68	-0.38	
POOL 123 FIXED INCOME	62,498,463	1.18	0.08	0.13		0.10					0.13	Jun-01-16
ASTO - POOL 5 BENCHMARK			0.04	0.11		0.08					0.11	Jun-01-16
Excess			0.04	0.02		0.03					0.02	

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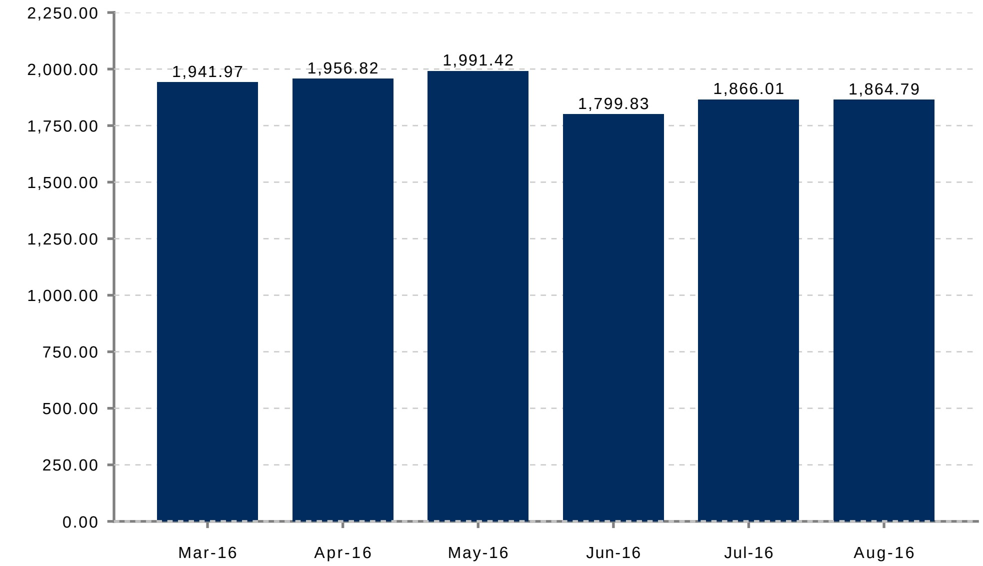
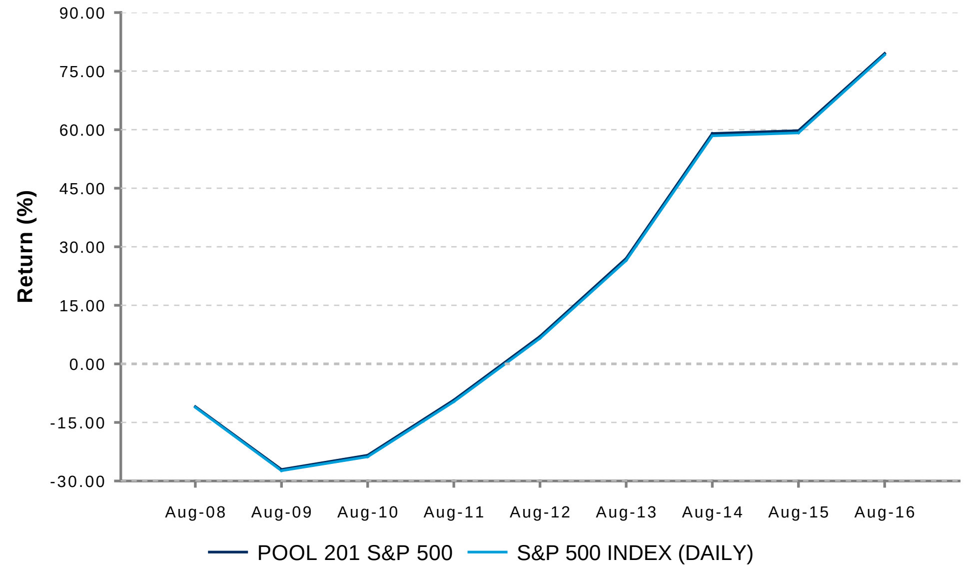
POOL 201 S&P 500

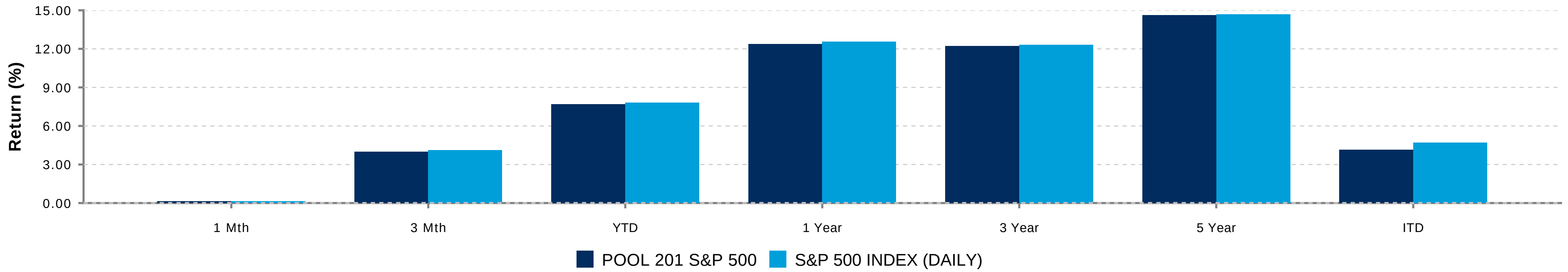
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Aug 31 2016	Aug 31 2015	Aug 31 2014
POOL 201 S&P 500	0.14	3.99	7.69	12.38	12.22	14.62	4.14	12.38	0.46	25.19
S&P 500 INDEX (DAILY)	0.14	4.10	7.82	12.55	12.30	14.69	4.69	12.55	0.48	25.25
Excess	0.00	-0.11	-0.13	-0.17	-0.08	-0.06	-0.54	-0.17	-0.02	-0.06

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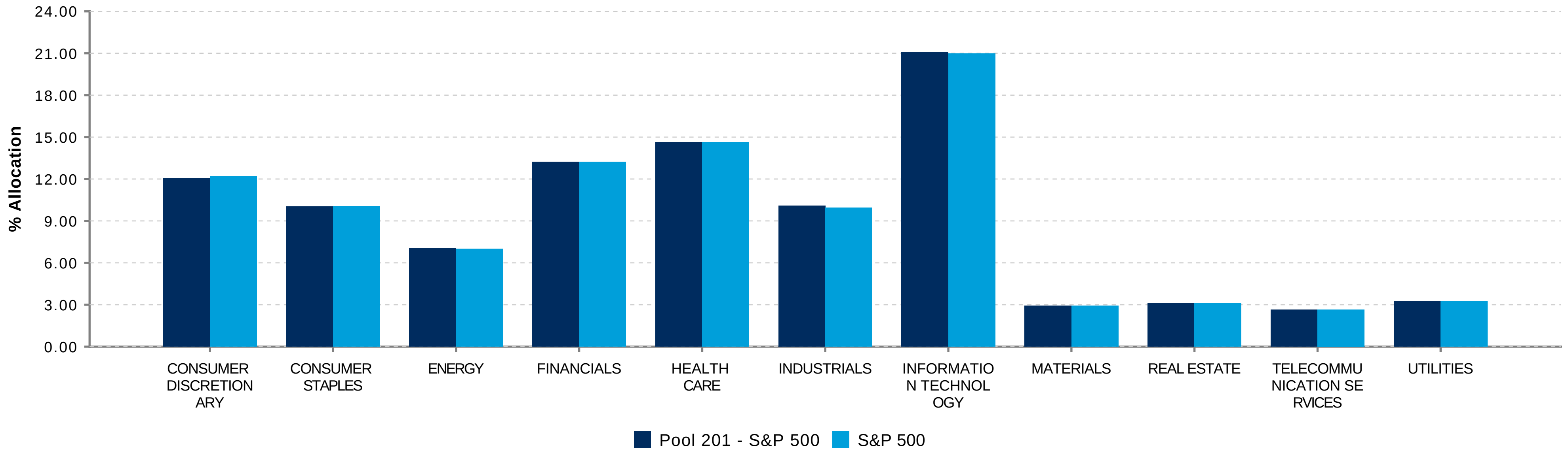
POOL 201 S&P 500
Sector Allocation vs S&P 500



	Fund Weight	Benchmark Weight	Relative Weight
POOL 201 S&P 500	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.21	12.38	-0.17
CONSUMER STAPLES	10.12	10.11	0.00
ENERGY	6.95	6.95	-0.01
FINANCIALS	12.52	12.51	0.00
HEALTH CARE	15.14	15.15	-0.01
INDUSTRIALS	10.05	9.90	0.15
INFORMATION TECHNOLOGY	20.61	20.59	0.02
MATERIALS	2.92	2.92	-0.00
REAL ESTATE	3.21	3.21	-0.00
TELECOMMUNICATION SERVICES	2.84	2.82	0.02
UTILITIES	3.44	3.45	-0.00

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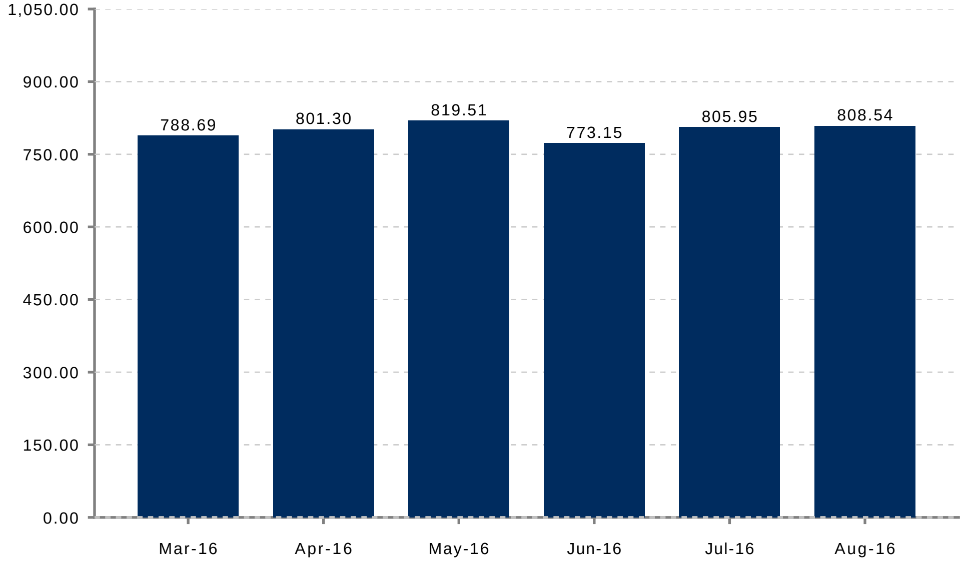
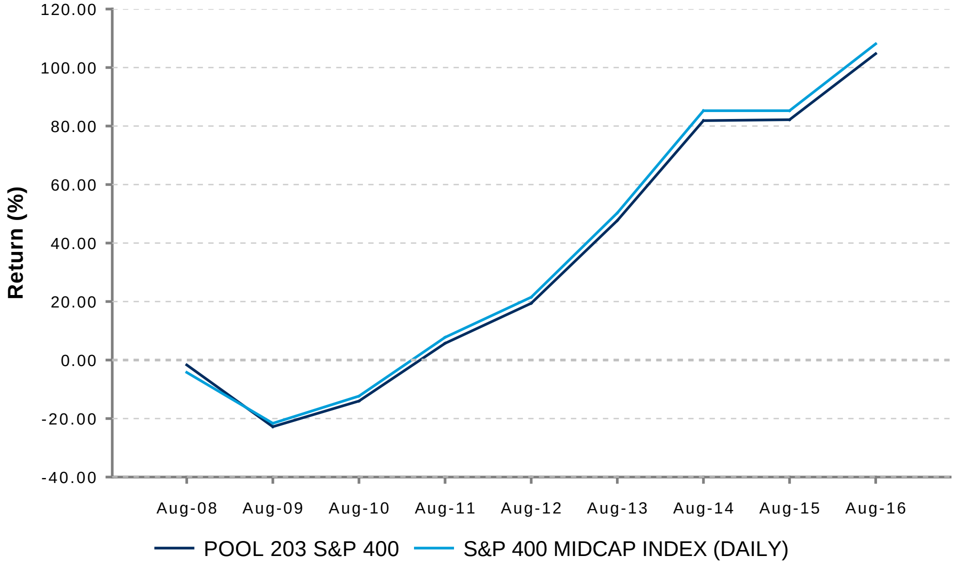
POOL 203 S&P 400

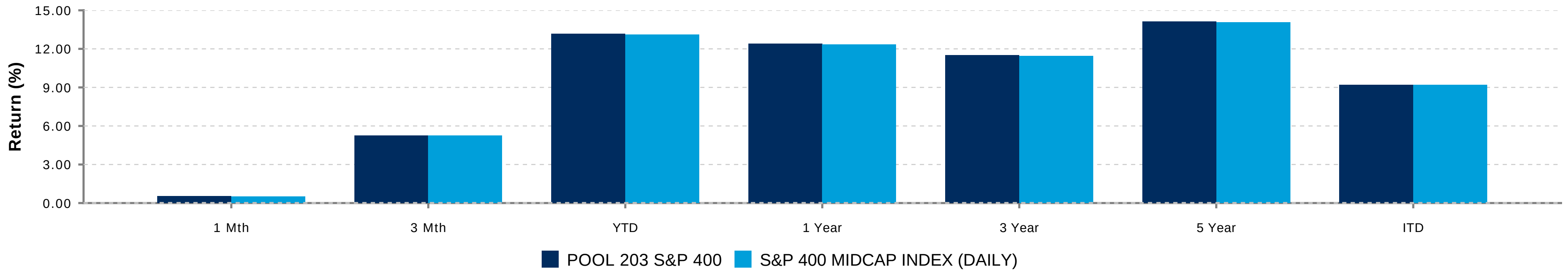
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Aug 31 2016	Aug 31 2015	Aug 31 2014
POOL 203 S&P 400	0.53	5.26	13.18	12.39	11.50	14.13	9.19	12.39	0.18	23.12
S&P 400 MIDCAP INDEX (DAILY)	0.50	5.25	13.12	12.33	11.45	14.07	9.20	12.33	0.01	23.25
Excess	0.03	0.01	0.06	0.06	0.04	0.06	-0.01	0.06	0.17	-0.13

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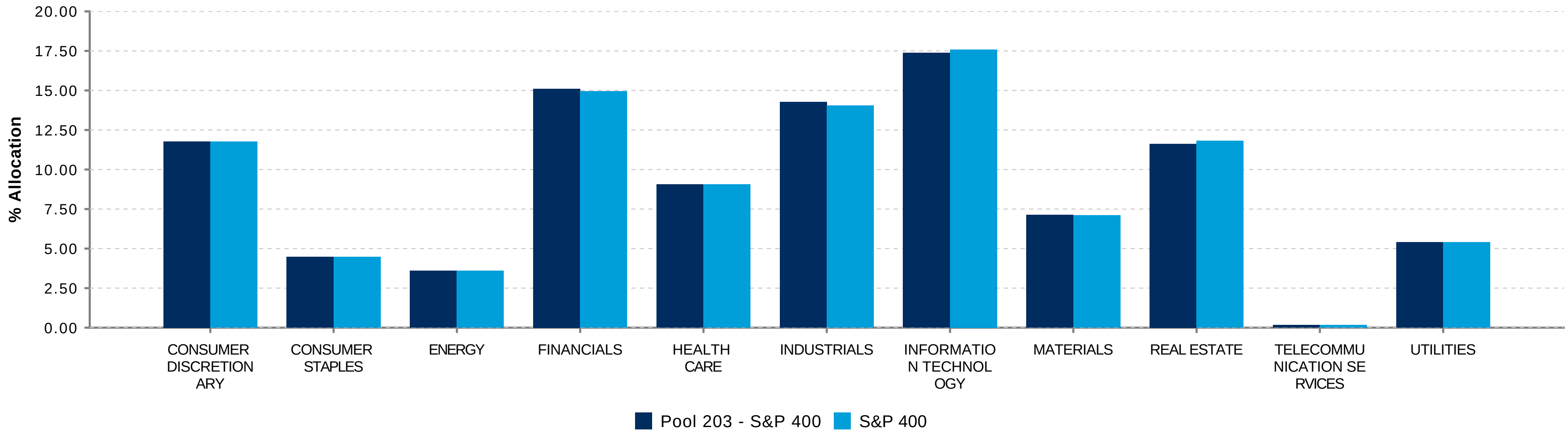
POOL 203 S&P 400
Sector Allocation vs S&P MID CAP 400



	Weight Fund	Weight Benchmark	Weight Relative
POOL 203 S&P 400	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.04	12.09	-0.05
CONSUMER STAPLES	4.64	4.66	-0.02
ENERGY	3.45	3.46	-0.01
FINANCIALS	15.07	14.69	0.39
HEALTH CARE	9.11	9.15	-0.04
INDUSTRIALS	13.87	13.56	0.32
INFORMATION TECHNOLOGY	16.91	16.98	-0.07
MATERIALS	7.22	7.25	-0.03
REAL ESTATE	11.79	12.25	-0.46
TELECOMMUNICATION SERVICES	0.19	0.20	-0.00
UTILITIES	5.70	5.72	-0.02

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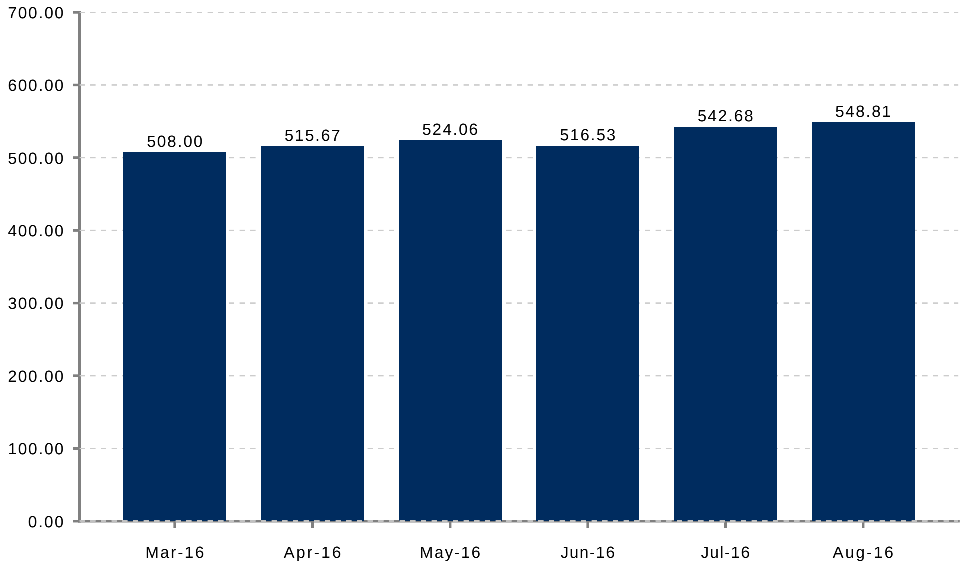
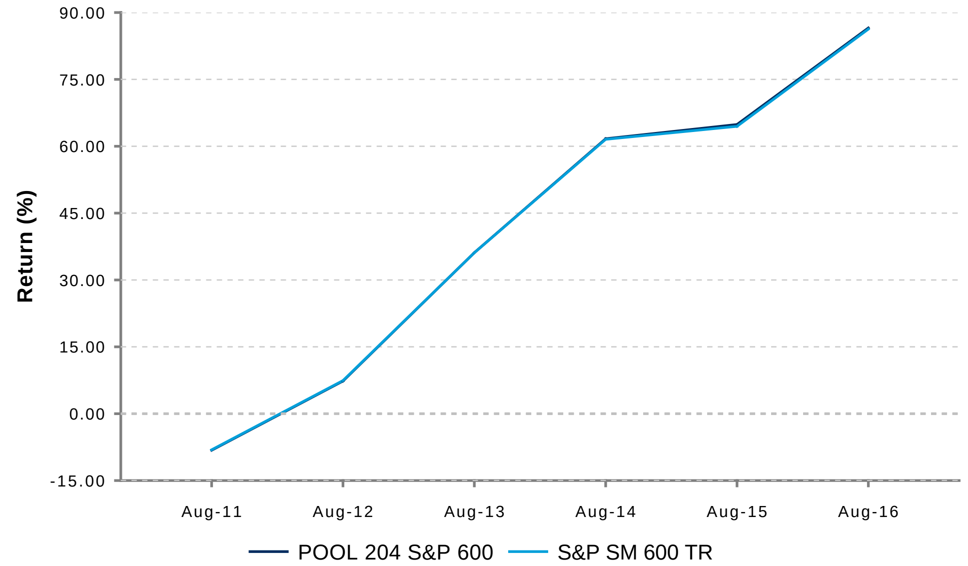
POOL 204 S&P 600

STATE STREET.

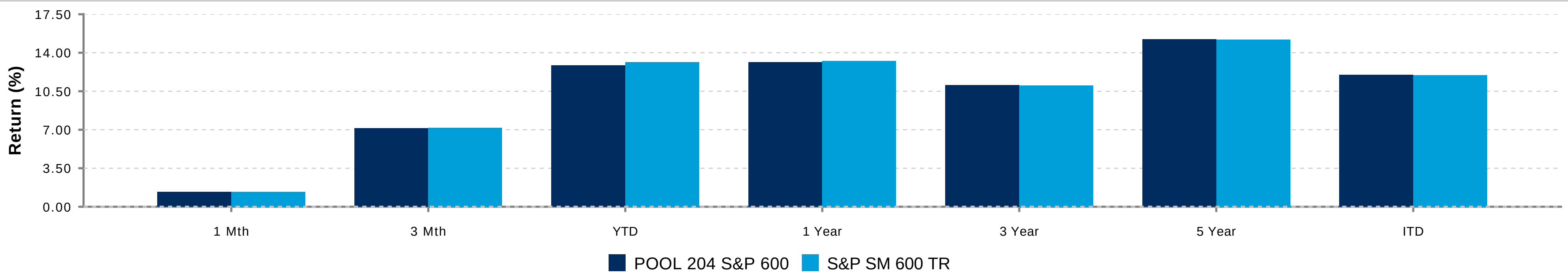
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return

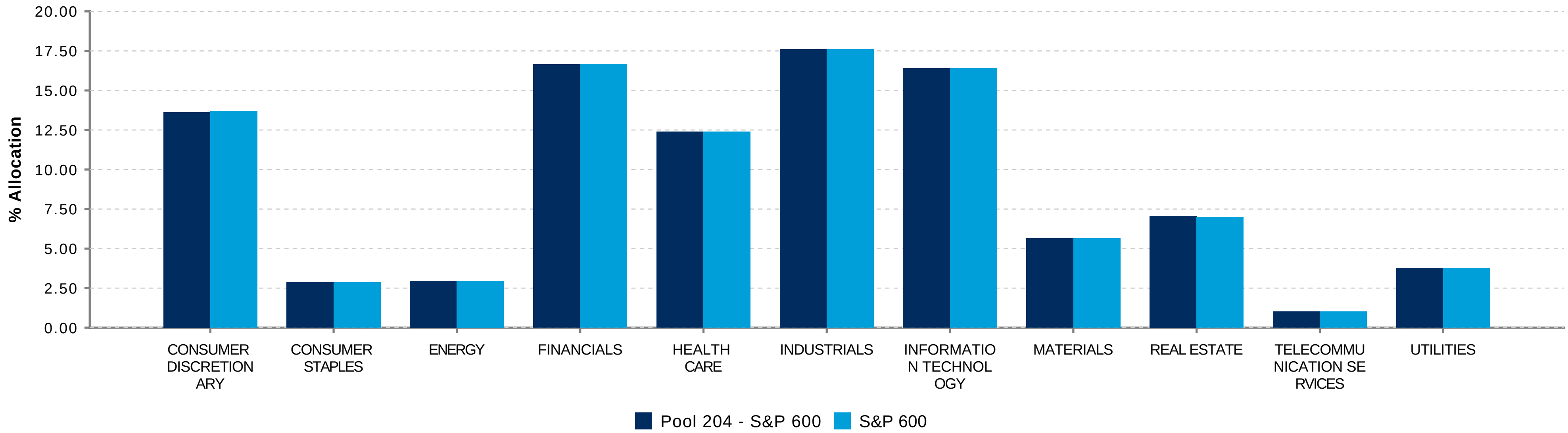


	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Aug 31 2016	Aug 31 2015	Aug 31 2014
POOL 204 S&P 600	1.33	7.15	12.86	13.13	11.07	15.23	11.99	13.13	1.98	18.78
S&P SM 600 TR	1.36	7.16	13.15	13.26	11.03	15.18	11.97	13.26	1.80	18.70
Excess	-0.02	-0.02	-0.29	-0.13	0.05	0.06	0.03	-0.13	0.18	0.08

OFFICE OF THE ARIZONA STATE TREASURER

August 31, 2016

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



	Weight Fund	Weight Benchmark	Weight Relative
POOL 204 S&P 600	100.00	100.00	0.00
CONSUMER DISCRETIONARY	13.90	14.06	-0.16
CONSUMER STAPLES	2.89	2.89	0.01
ENERGY	2.72	2.72	-0.00
FINANCIALS	16.04	16.03	0.01
HEALTH CARE	12.68	12.67	0.01
INDUSTRIALS	17.69	17.68	0.02
INFORMATION TECHNOLOGY	16.10	16.09	0.01
MATERIALS	5.53	5.52	0.01
REAL ESTATE	7.26	7.17	0.09
TELECOMMUNICATION SERVICES	1.16	1.16	0.00
UTILITIES	4.02	4.01	0.00

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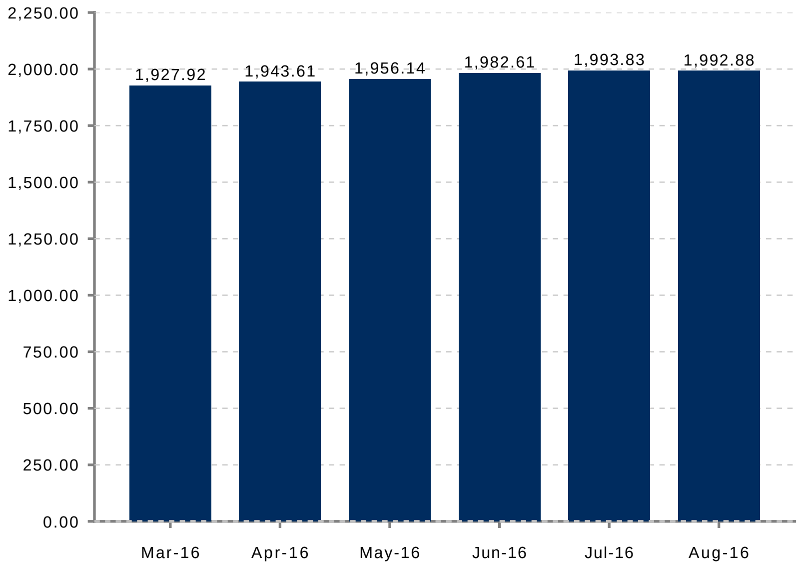
August 31, 2016

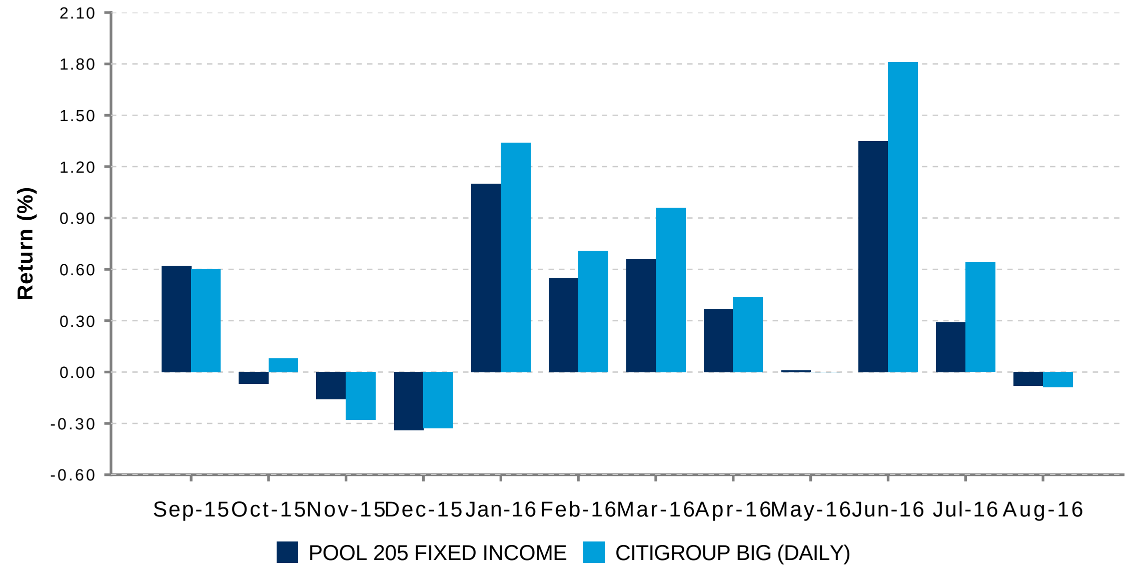
POOL 205 FIXED INCOME

STATE STREET.

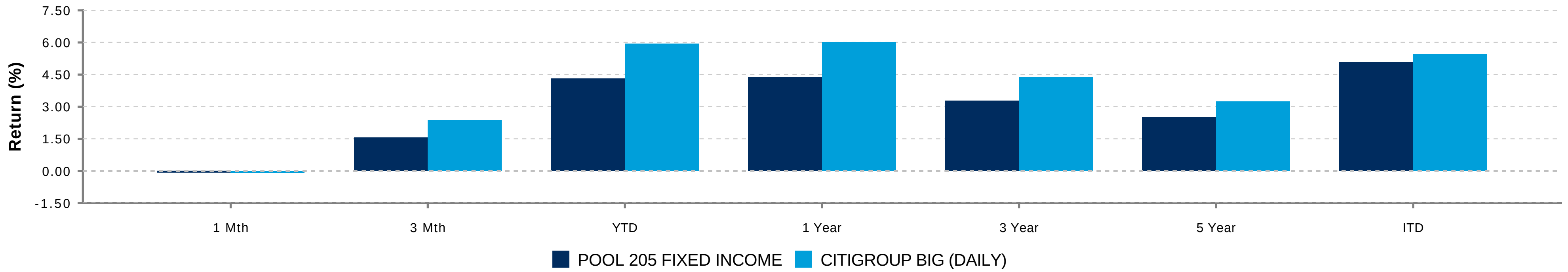
Net Asset Values over Time ($MM)



Monthly Returns



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Aug 31 2016	Aug 31 2015	Aug 31 2014
POOL 205 FIXED INCOME	-0.08	1.56	4.32	4.37	3.29	2.53	5.07	4.37	1.58	3.94
CITIGROUP BIG (DAILY)	-0.09	2.37	5.94	6.01	4.37	3.24	5.45	6.01	1.53	5.62
Excess	0.01	-0.80	-1.62	-1.64	-1.08	-0.70	-0.38	-1.64	0.05	-1.68

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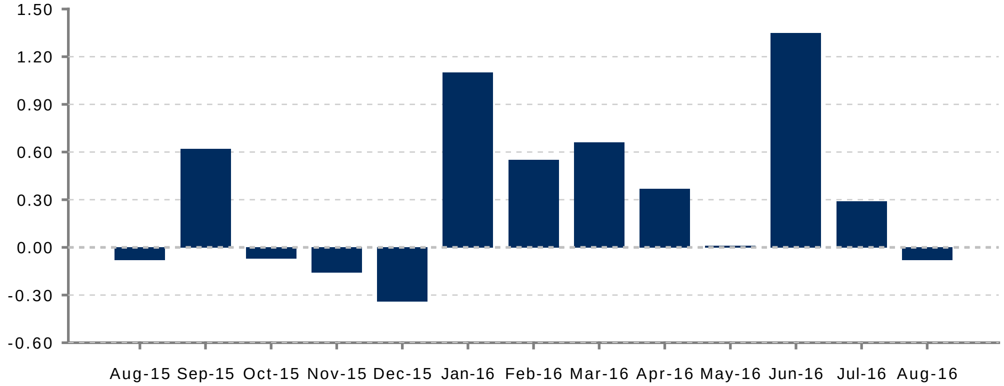
POOL 205 FIXED INCOME

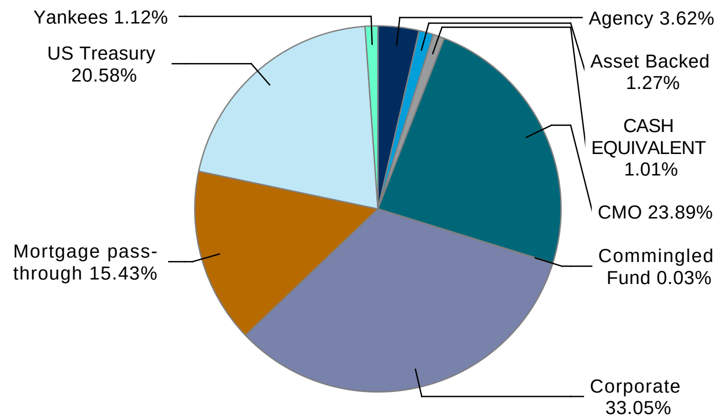
Net Mgr Return



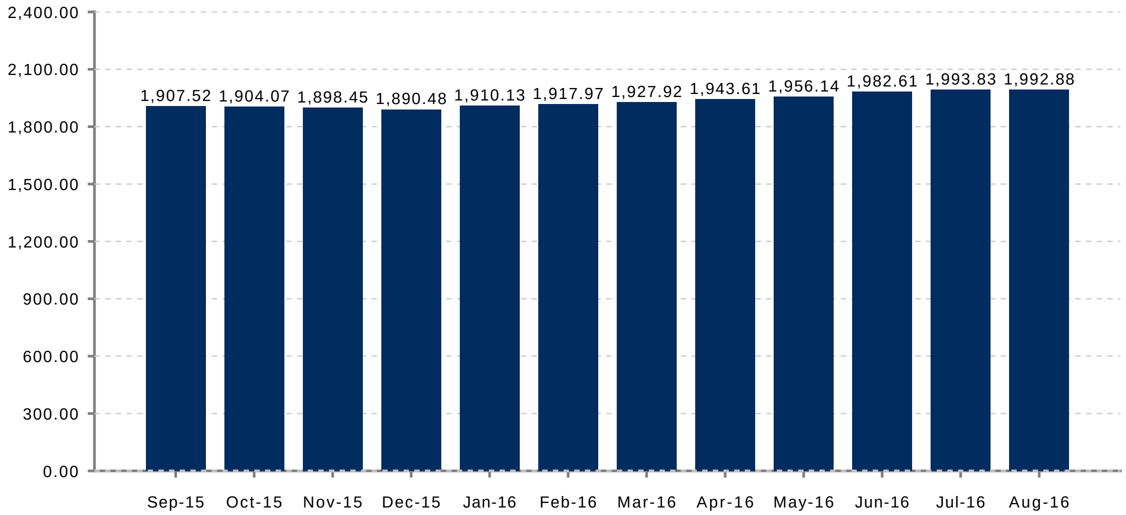
	Current Mth	Prior Mth	1 Year Ago
POOL 205 FIXED INCOME	-0.08	0.29	-0.08

Asset Allocation

	Ending Market Value
POOL 205 FIXED INCOME	1,992,880,295



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 205 FIXED INCOME		
US TREASURY N/B	18,572,196	0.93
US TREASURY N/B	18,204,737	0.91
US TREASURY N/B	17,465,797	0.88
US TREASURY N/B	15,742,122	0.79
WELLS FARGO + COMPANY	15,522,387	0.78
USAA CAPITAL CORP	15,216,417	0.76
US TREASURY N/B	15,173,605	0.76
FIFTH THIRD BANK	15,036,853	0.75
BANK OF NY MELLON CORP	14,975,800	0.75
SHEFFIELD RECEIVABLE	14,962,500	0.75

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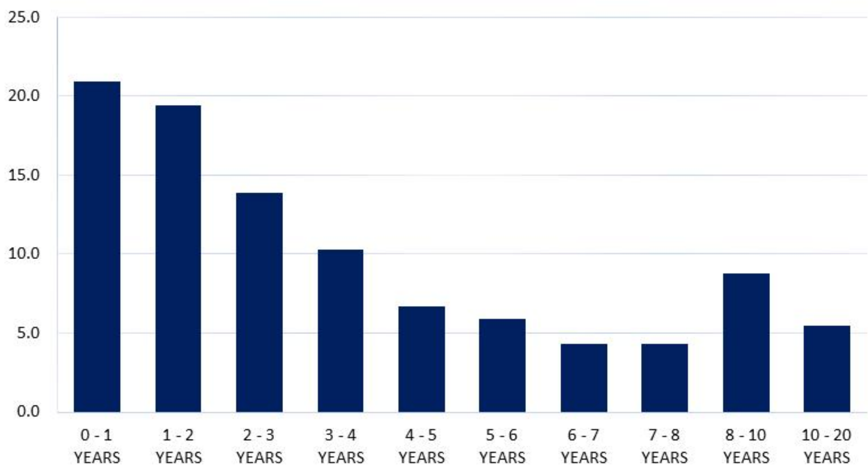
POOL 205 FIXED INCOME

STATE STREET.

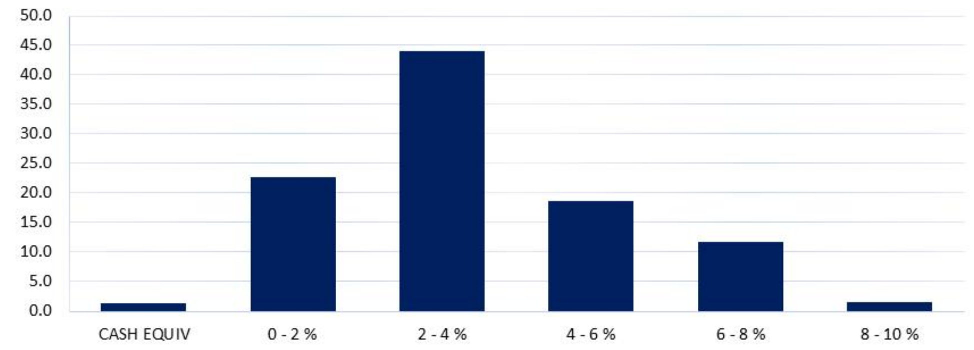
Duration Distribution



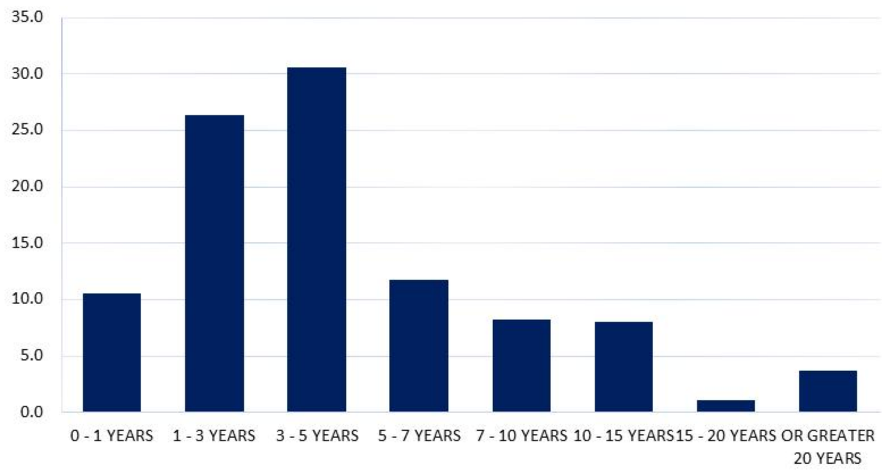
Portfolio Level Characteristics

	POOL 205 FIXED INCOME
Weighted Average Life	5.12
Coupon	3.50
Effective Duration	3.76
Quality Rating (Moody's)	AA-2

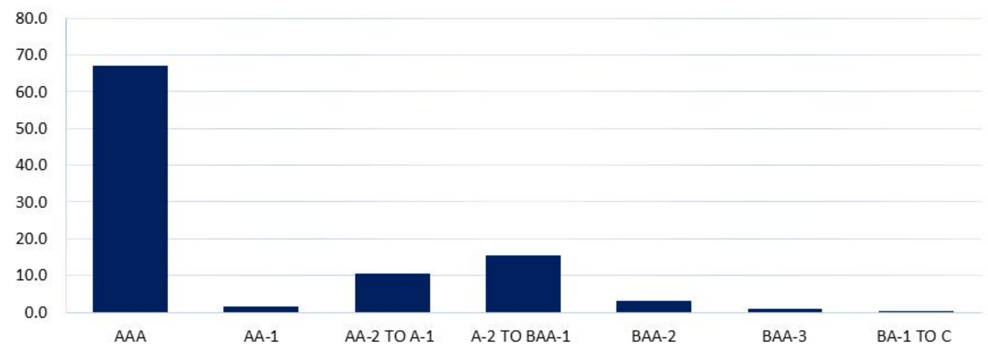
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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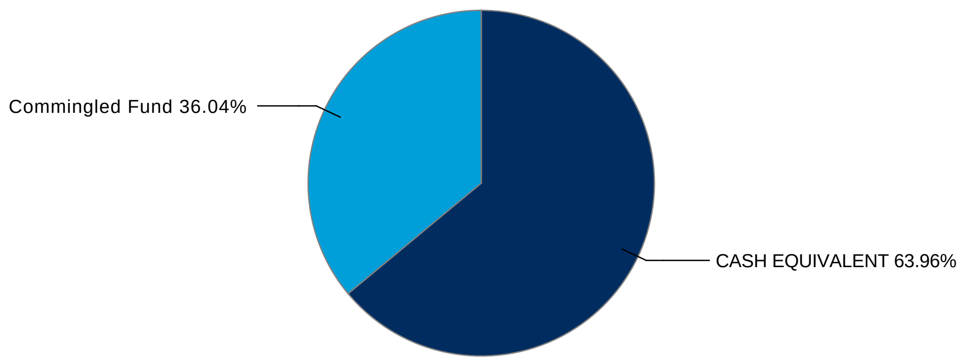
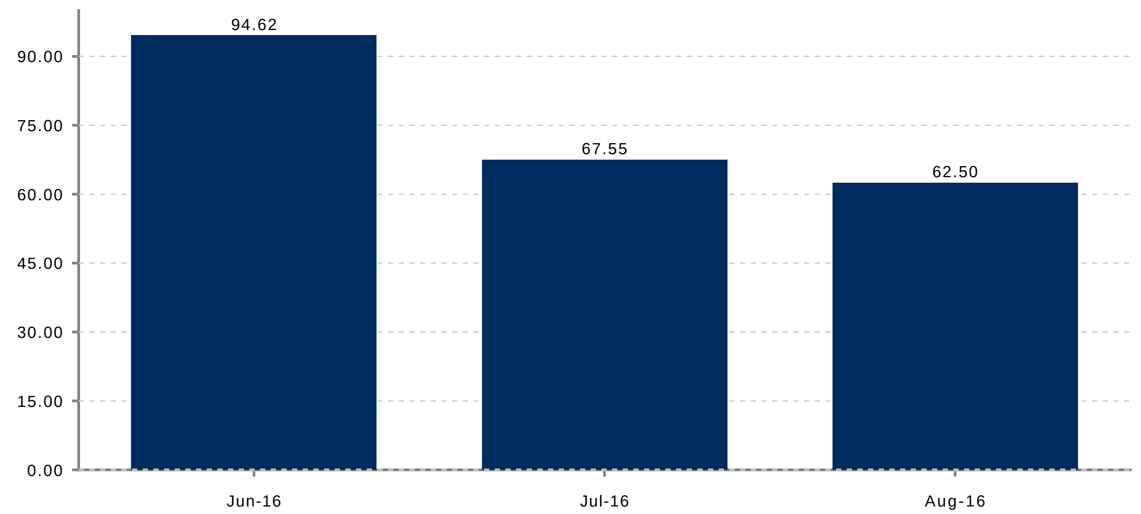
POOL 123 ST

Asset Allocation

	Ending Market Value
POOL 123 ST	62,498,463



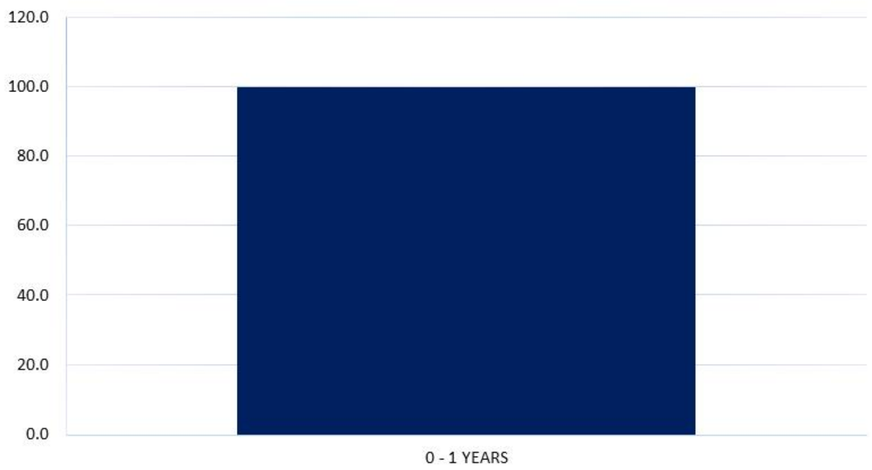
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 123 ST		
LOCAL GOVERNMENT INVEST POOL	22,522,676	36.04
SHEFFIELD RECEIVABLE	14,962,500	23.94
ANGLESEA FDG PLC & ANG	9,995,167	15.99
KELLS FDG LLC	9,987,500	15.98
MOUNTCLIFF	4,991,917	7.99

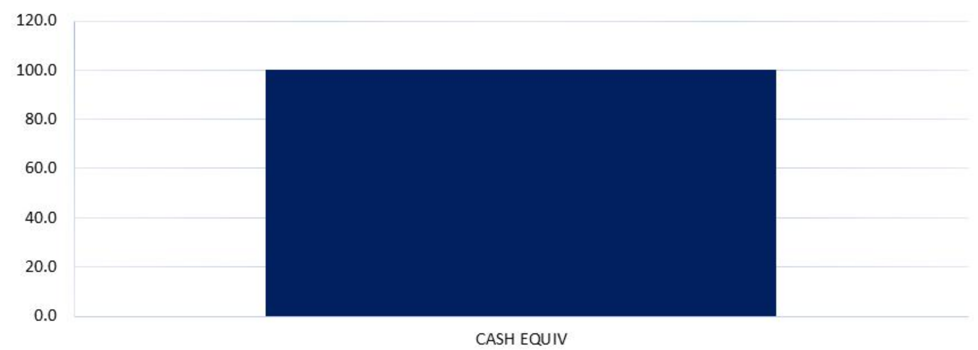
Duration Distribution



Portfolio Level Characteristics

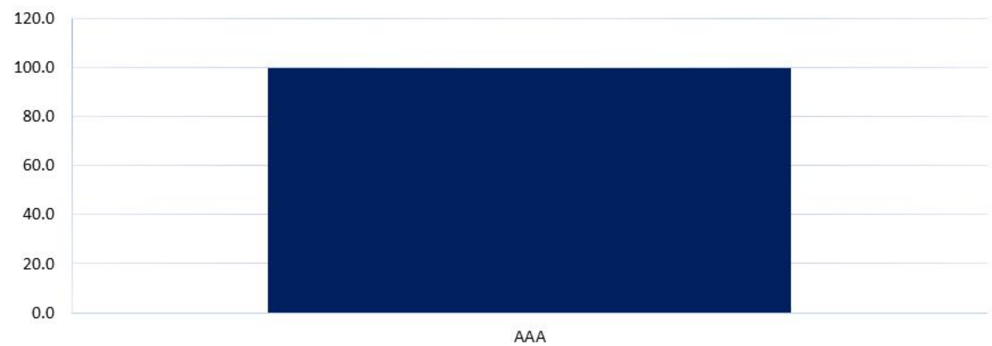
	POOL 123 ST
Weighted Average Life	0.11
Coupon	0.20
Effective Duration	0.11
Quality Rating (Moody's)	AAA

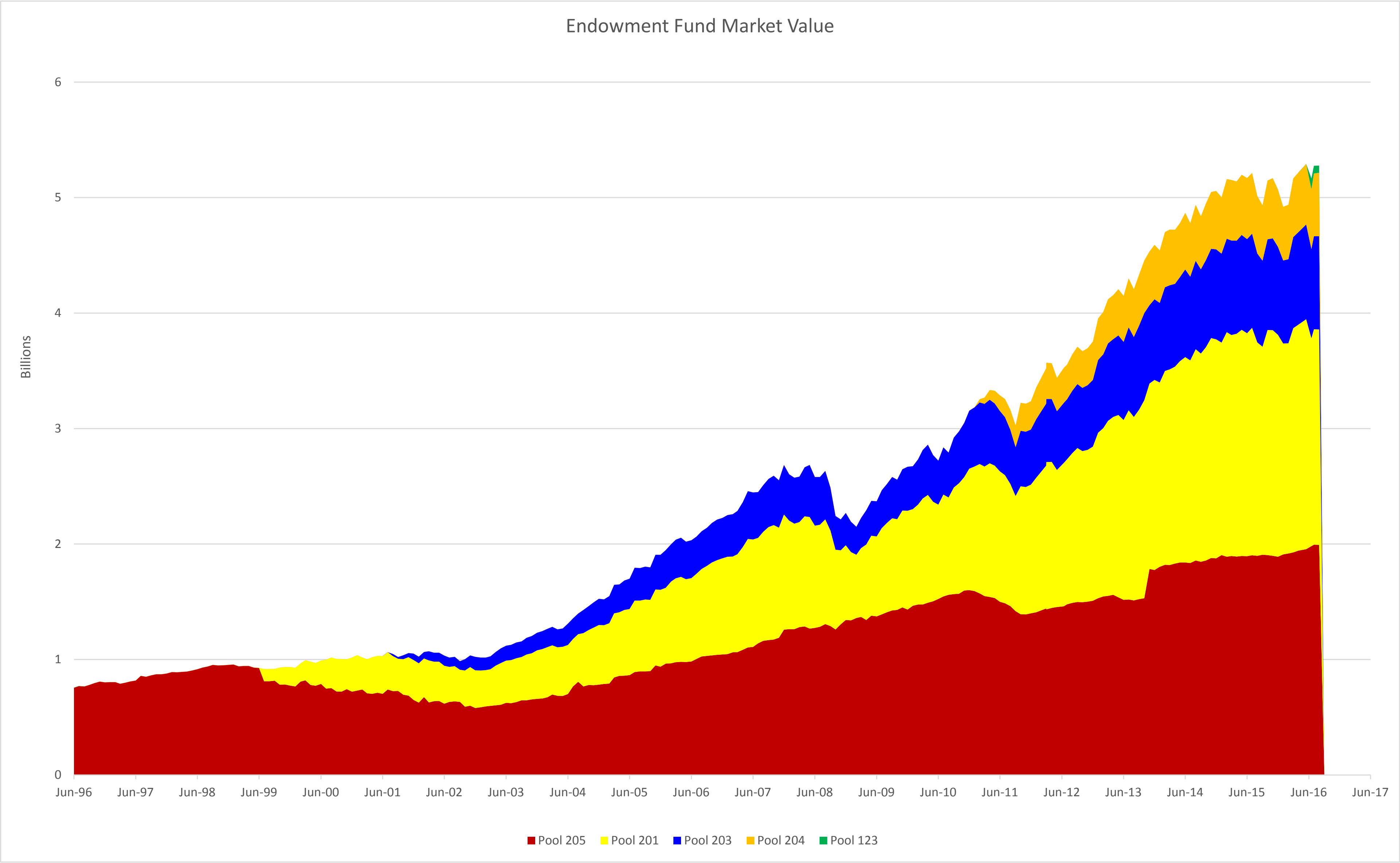
Coupon Distribution



Expected Maturity Distribution

Rating Distribution




Endowment Fund Market Value
Billions
0
1
2
3
4
5
6
Jun-96
Jun-97
Jun-98
Jun-99
Jun-00
Jun-01
Jun-02
Jun-03
Jun-04
Jun-05
Jun-06
Jun-07
Jun-08
Jun-09
Jun-10
Jun-11
Jun-12
Jun-13
Jun-14
Jun-15
Jun-16
Jun-17
Pool 205
Pool 201
Pool 203
Pool 204
Pool 123