OFFICE OF THE

ARIZONA STATE TREASURER

JEFF DEWIT
TREASURER

JULY 2016

Presented To:

Arizona State Board of Investment

August 25, 2016

State Board of Investment

<u>A G E N D A</u>

August 25, 2016

1. Call to Order
2. Chairman Remarks
3. Approval of July 28, 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

August 25, 2016

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Minutes of
BOARD OF INVESTMENT MEETING

The regular meeting of the State Board of Investment was held on July 28, 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 2:34 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

Members Absent:

Craig Brown, Director, Arizona Department of Administration

Others Present:

Mark Swenson, Deputy Treasurer of Policy & Research, Arizona State Treasurer's Office
Lorraine Jones, Deputy Treasurer of Operations, Arizona State Treasurer's Office
Patty Humbert, Chief Investment Officer, 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
Ken Price, Human Resource Manager, Arizona State Treasurer's Office
Rob Celaya, Member of the Public

Pursuant to A.R.S. 35-311, the following reports for June, 2016 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 July 28, 2016 BOI meeting to order at approximately 2:34 p.m.

2. **Treasurers Comments:**
   Treasurer DeWit welcomed the board members and guests and thanked all present for attending the July 28, 2016 meeting.

3. **Approval of Minutes:**
   Mr. Papp made a motion to approve the June 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 June, 2016.

Operating Monies Average Invested Balance

Ms. Humbert reported the Operating Monies average invested balance for the month of June, 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 June, 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 June 30, 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 June 30, 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 June, 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 June, 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 June 30, 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 June, 2016.

Review of Treasurer's Monthly Report – Endowments:

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

Earnings Distributed Endowment Funds

Ms. Humbert reported the earnings distributed for the Endowment Funds for the month of June, 2016.

Net Realized Capital Gains/Losses – Endowment Funds

Ms. Humbert reported the net realized capital gains for the Endowment Fixed Income, S&P 500, S&P 400 and S&P 600 pools for the month of June, 2016 and fiscal year to date.

Endowment Funds Fixed-Income Pool Purchases & Sales

Ms. Humbert reported the purchases and sales of the Endowment Fixed Income Pool for the month of June, 2016.

Equity Funds Purchases & Sales

Ms. Humbert reported the purchases and sales (summary) of the Endowment Equity Pools for the month of June, 2016.

Investments Outstanding in Endowment Funds

Ms. Humbert reported the par, book, market value, and unrealized gains/loss of the Endowment Funds as of June 30, 2016.

Performance of Investments in Endowment Funds

Ms. Humbert reported the performance of the Endowment Funds for the current month, the year to date, trailing one year, trailing three years, trailing five years, and since inception for the Endowment Funds as of June 30, 2016.

Manager Allocation of Invested Monies for the Endowment Pools

Ms. Humbert reported the percentage of the total market value of all of the Endowment investments allocated to each of the Endowment Pools, as of June 30, 2016.

Equity Holdings Investments Outstanding S&P 500

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 500 Pool as of June 30, 2016.

Equity Holdings Investments Outstanding S&P 400

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 400 Pool as of June 30, 2016.

Equity Holdings Investments Outstanding S&P 600

Ms. Humbert reported the investments outstanding by portfolio characteristics and industry sector for the S&P 600 Pool as of June 30, 2016.

Fixed Income 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 for the Fixed Income Pool for the month of June, 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 June 30, 2016.
Per the Boards request, the land sales report will be added to the monthly Board of Investment report.

Broker Activity Report

Ms. Humbert reported the quarterly broker activity for all internally managed pools for the period of April 1, 2016 through June 30, 2016.

Approval of Treasurer's Report

Mr. Charlton made a motion to approve the Treasurer's Report. Mr. Papp 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; BMO Capital Markets Corp. CRD #16686. Treasurer DeWit asked for a motion for approval as presented.

   Mr. Papp made a motion to approve the Broker Dealer Firm BMO Capital Markets Corp. as presented. Ms. Ford seconded the motion. Motion carried.

7. **General Business:**
   Deputy Treasurer Lorraine Jones provided a brief overview on the Designation of State Servicing Bank and Merchant Card Processor Effective January 1, 2017. Treasurer DeWit asked for a motion for approval as presented.

   Ms. Ford made a motion to approve the Designation of State Servicing Bank and Merchant Card Processor as presented. Mr. Charlton 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 Thursday, August 25, 2016 at 1:30 p.m. at 1700 West Washington, State Capitol, West Wing, Treasurer's Conference Room, Phoenix, Arizona.

10. Adjournment:

Mr. Charlton made a motion to adjourn the BOI meeting. Mr. Papp seconded the motion. Upon unanimous approval the BOI Meeting was adjourned at 3:21 p.m.

Respectfully Submitted by:

____
Christine Thurston
Executive Consultant II

Approved by:

________________________________	________________________________
Jeff DeWit, Chair	Date

EARNINGS DISTRIBUTION - INVESTMENT POOLS
JULY 2016

	Earnings Distributed			Fiscal YTD Investment Management Fees Received
Recipient	JULY 2016	Fiscal YTD 16/17	Fiscal YTD 15/16	
General Fund	$1,515,974	$1,515,974	$1,053,351	
2 State Agencies - Full Faith & Credit	595,194	595,194	376,539	$40,085
3 State Agencies - Diversified *(Combined)*	673,574	673,574	561,043	75,069
4 State Agencies - Gov	475,469	475,469	329,282	45,097
5 LGIP	412,088	412,088	122,394	53,598
7 LGIP Gov	345,556	345,556	74,755	53,555
10 Restricted Operating	339,849	339,849	282,697	60,053
12 CAWCD Medium-Term	412,794	412,794	377,742	15,661
16 ECDH Medium-Term	484,415	484,415	459,380	17,973
Subtotal	**$5,254,913**	**$5,254,913**	**$3,637,182**	**$361,090**
NAV POOL				
500 LGIP - Med Term	275,415	275,415	236,813	11,819
700 LGIP - FF&C Med Term	130,150	130,150	93,657	6,761
Total	**$5,660,478**	**$5,660,478**	**$3,967,652**	**$379,669**
JULY 2015 TOTALS	**$3,967,652**			**$356,225**

*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 July 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	
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**	**$2,012**

Budget Stabilization Average Fund Balance - July 2016	**$440**
Total Average Cash Available - July 2016	**$2,452**

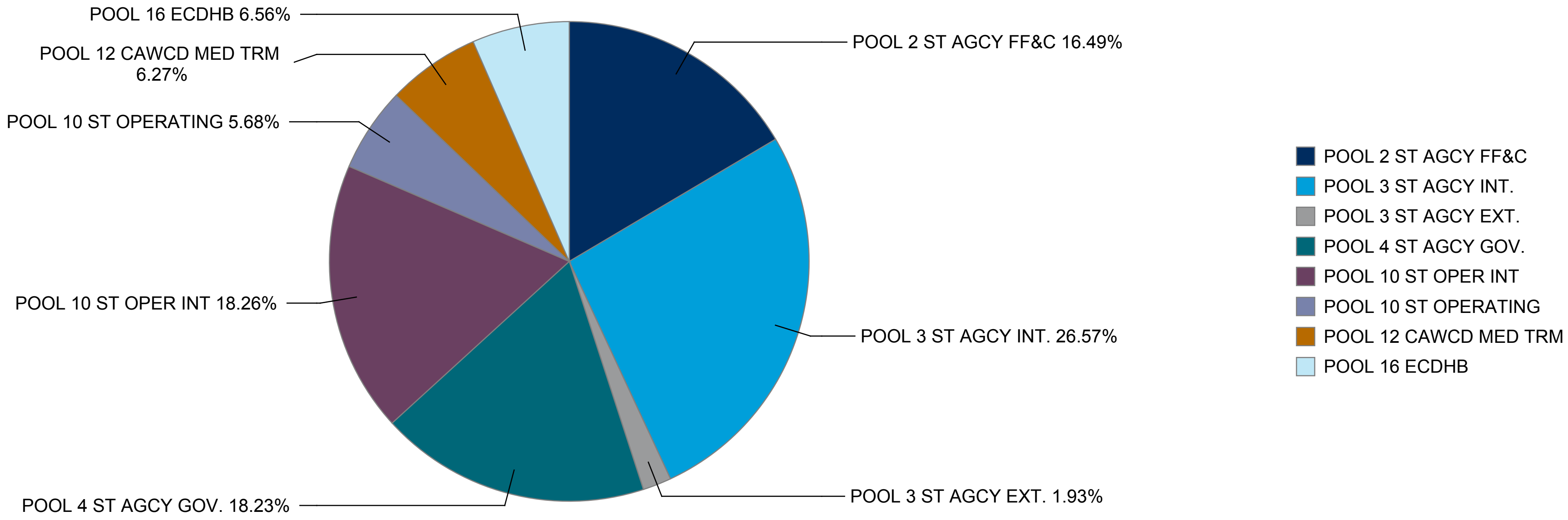
STATE AGENCY POOLS
PORTFOLIO EARNINGS ANALYSIS
JULY 2016

FUND	DESCRIPTION	Current Month 07/31/16	Prior Month 06/30/16	Prior Year 07/31/15	Net Asset Value Per Share
2	STATE AGENCIES - FULL FAITH & CREDIT	660,302	711,502	434,276	0.9996
3	STATE AGENCIES - DIVERSIFIED				
	INTERNAL MANAGERS	1,168,668	1,337,827	788,278	1.0007
	EXTERNAL MANAGERS	105,020	98,659	73,564	1.0039
	FUND 3 TOTAL	1,273,688	1,436,487	861,842	1.0010
4	STATE AGENCIES - GOV	649,636	725,485	467,547	1.0008
10	RESTRICTED OPERATING				
	INTERNAL MANAGERS	853,306	859,923	729,522	1.0022
	EXTERNAL MANAGERS	139,140	146,581	106,979	1.0014
	FUND 10 TOTAL	992,446	1,006,505	836,501	1.0020
12	CAWCD MEDIUM-TERM	412,794	413,903	377,742	1.0076
15	AHCCCS OPERATING	9,683	14,829	N/A	N/A
16	ECDH MEDIUM-TERM	484,415	476,607	459,380	1.0083
	TOTAL STATE AGENCIES	4,482,965	4,785,318	3,437,288	

STATE AGENCY POOLS
PORTFOLIO YIELD ANALYSIS
JULY 2016

FUND	DESCRIPTION	Current Month 07/31/16	Prior Month 06/30/16	Prior Year 07/31/15
2	STATE AGENCIES - FULL FAITH & CREDIT	0.90%	0.89%	0.59%
	75% MERRILL 0-1 US TREAS INDEX / 25% MERRILL US GNMA MORTGAGE BACKED INDEX	0.85%	0.82%	0.84%
3	STATE AGENCIES - DIVERSIFIED			
	INTERNAL MANAGERS	0.93%	0.90%	0.71%
	EXTERNAL MANAGERS	1.20%	1.17%	0.85%
	COMBINED	0.95%	0.92%	0.72%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.85%	0.81%	0.65%
4	STATE AGENCIES - GOV	0.79%	0.77%	0.68%
	50% MERRILL 6 MTH US T-BILL INDEX / 50% MERRILL 1-3 UNSUB. US TREAS / AGY INDEX	0.52%	0.48%	0.41%
10	RESTRICTED OPERATING			
	INTERNAL MANAGERS	1.03%	1.04%	0.82%
	EXTERNAL MANAGERS	0.54%	0.59%	0.42%
	COMBINED	0.91%	0.94%	0.73%
	50% 3 MONTH LIBOR INDEX / 50% MERRILL 1-3 US BROAD MARKET INDEX	0.85%	0.81%	0.65%
12	CAWCD MEDIUM-TERM	1.45%	1.49%	1.44%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.08%	1.07%	1.08%
15	AHCCCS OPERATING	0.44%	0.36%	N/A
16	ECDH MEDIUM-TERM	1.64%	1.67%	1.58%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.08%	1.07%	1.08%

Manager Allocation



	Market Value	% of Portfolio
POOL 2 ST AGCY FF&C	882,953,305	16.5
POOL 3 ST AGCY INT.	1,422,262,836	26.6
POOL 3 ST AGCY EXT.	103,476,990	1.9
POOL 4 ST AGCY GOV.	976,213,431	18.2
POOL 10 ST OPER INT	977,757,343	18.3
POOL 10 ST OPERATING	304,081,492	5.7
POOL 12 CAWCD MED TRM	335,632,427	6.3
POOL 16 ECDHB	351,265,622	6.6
TOTAL STATE AGENCY	5,353,643,449	100.0

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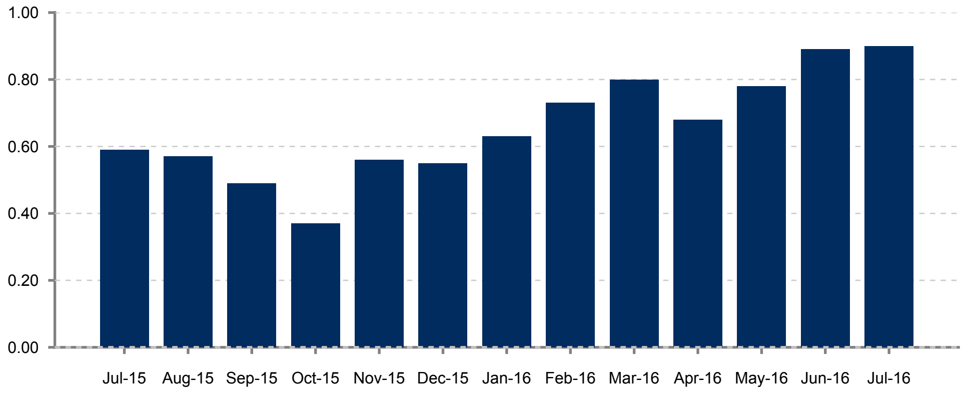
July 31, 2016

POOL 2 ST AGCY FF&C

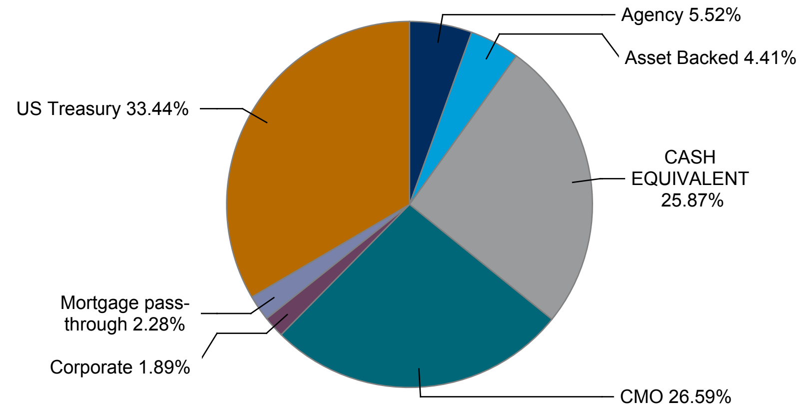
Net Yield



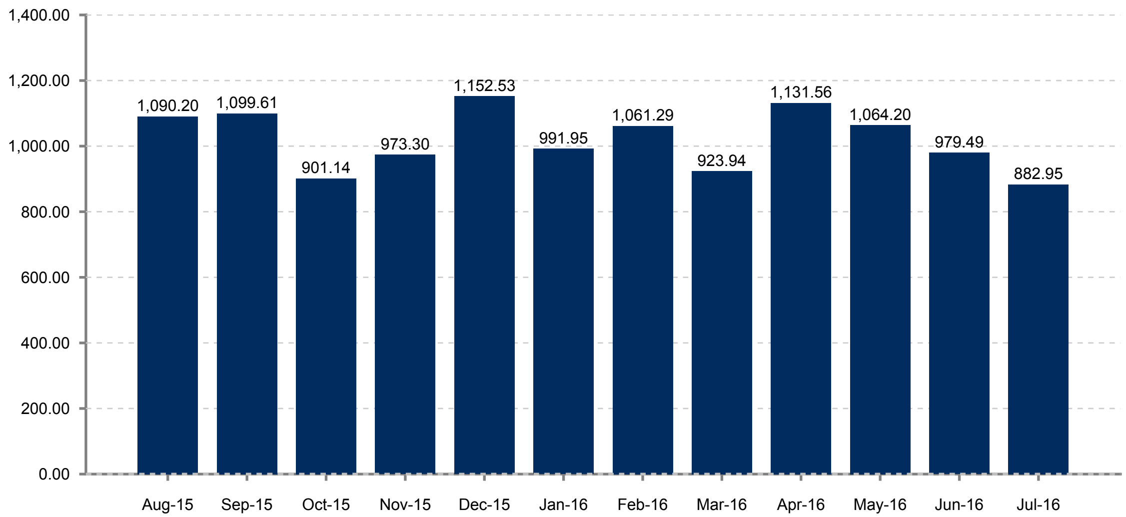
	Current Mth	Prior Mth	1 Year Ago
POOL 2 ST AGCY FF&C	0.90	0.89	0.59

Asset Allocation

	Ending Market Value
POOL 2 ST AGCY FF&C	882,953,305



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 2 ST AGCY FF&C		
AMHERST PIERPONT	100,003,500	11.33
SOUTH STREET REPO	44,130,305	5.00
US TREASURY N/B	41,611,208	4.71
US TREASURY FRN	40,048,437	4.54
TREASURY BILL	29,970,763	3.39
TREASURY BILL	29,927,010	3.39
GOVERNMENT NATIONAL MORTGAGE A	24,971,339	2.83
US TREASURY N/B	20,079,310	2.27
US TREASURY FRN	20,024,735	2.27
US TREASURY FRN	20,019,894	2.27

OFFICE OF THE ARIZONA STATE TREASURER

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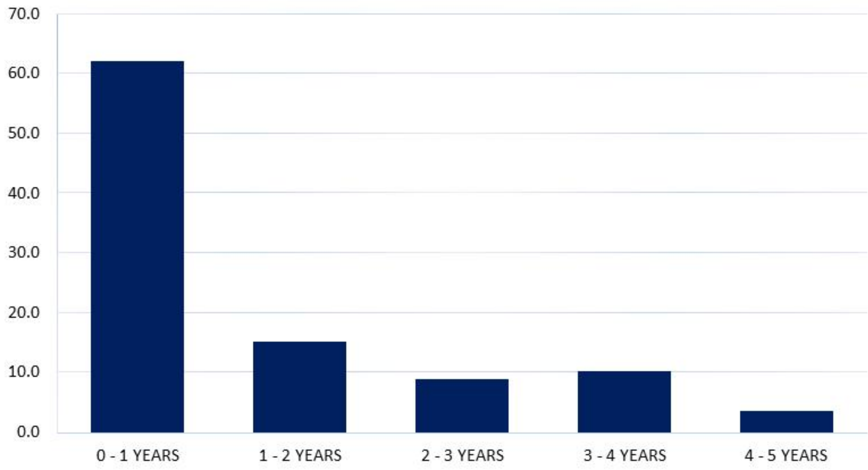
POOL 2 ST AGCY FF&C

STATE STREET.

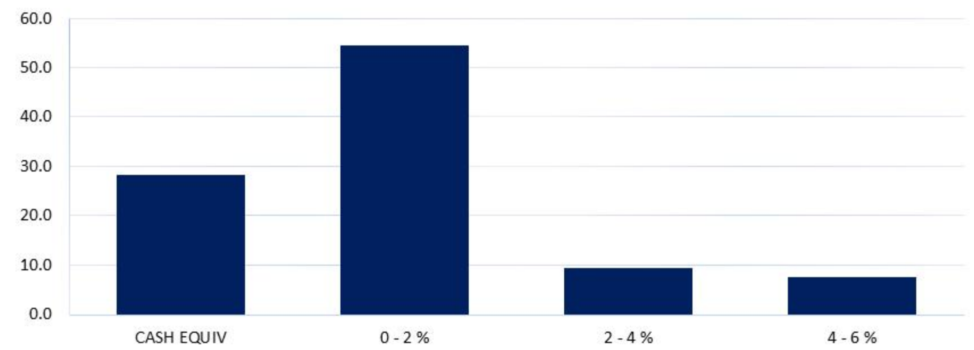
Duration Distribution



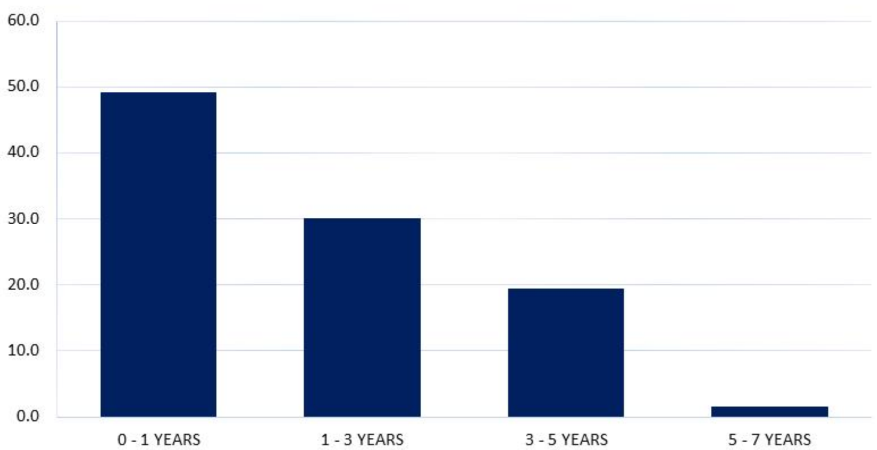
Portfolio Level Characteristics

	POOL 2 ST AGCY FF&C
Weighted Average Life	1.62
Coupon	1.50
Effective Duration	1.13
Quality Rating (Moody's)	AAA

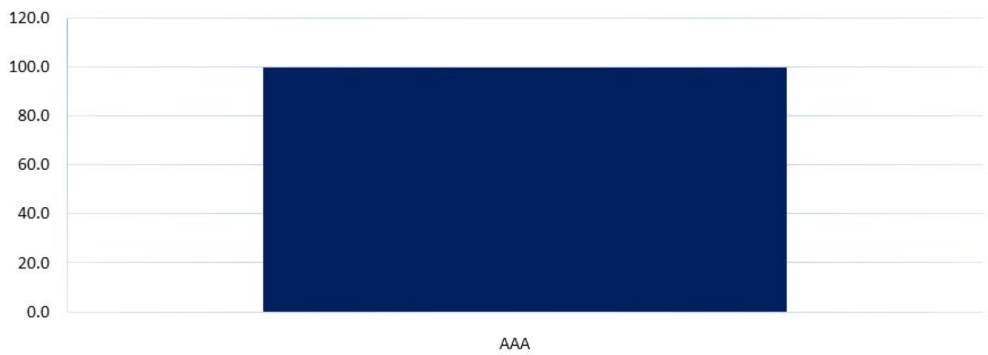
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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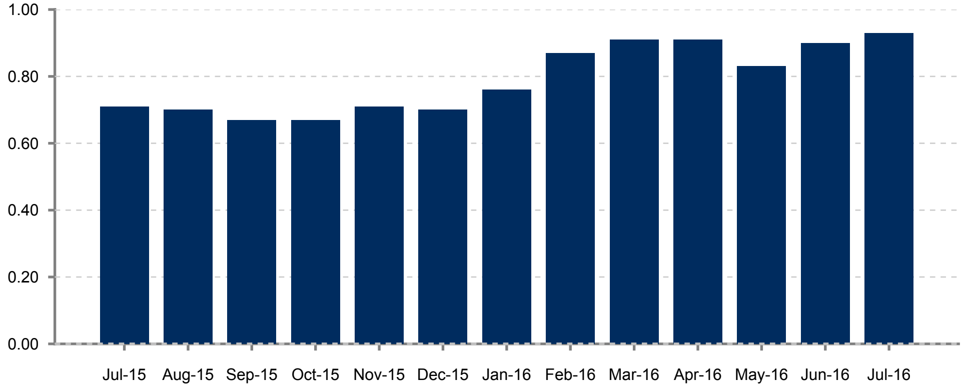
POOL 3 ST AGCY INT.

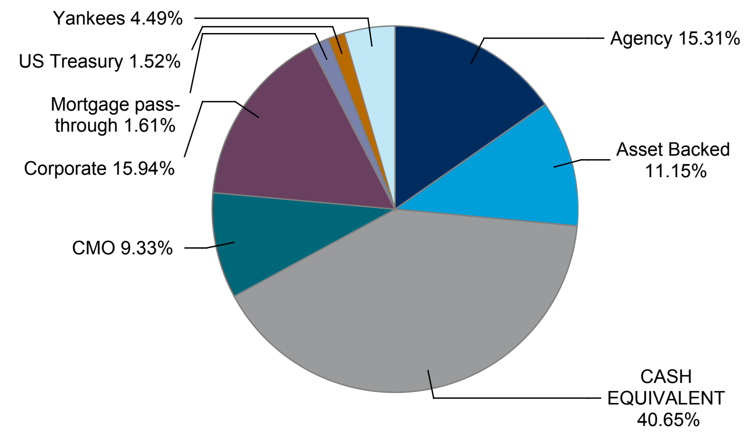
Net Yield



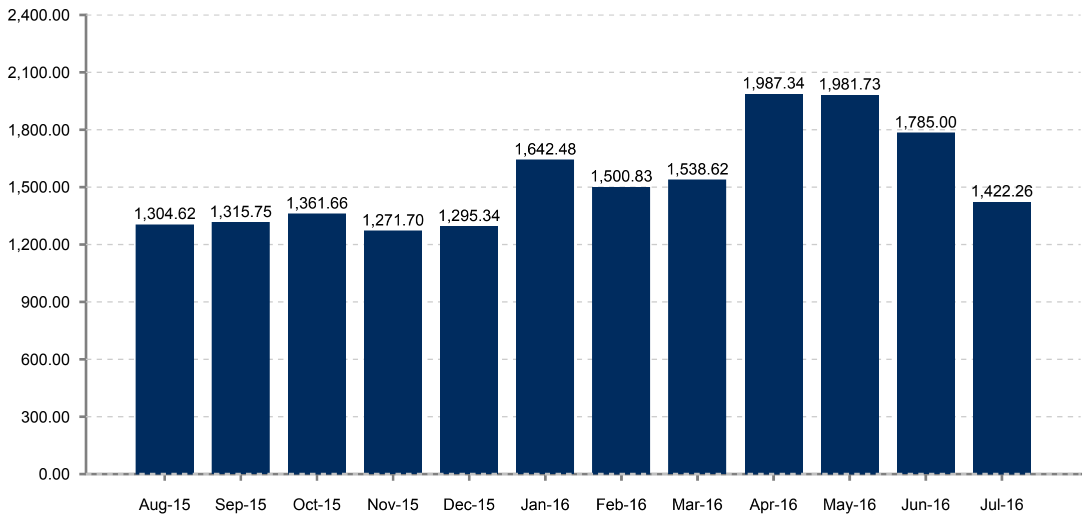
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY INT.	0.93	0.90	0.71

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY INT.	1,422,262,836



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY INT.		
SOUTH STREET REPO	340,823,412	23.96
GOTHAM FDG CORP	39,948,722	2.81
SHEFFIELD RECEIVABLE	39,923,027	2.81
FREDDIE MAC	30,107,158	2.12
CANADIAN IMPERIAL BK	30,017,790	2.11
KELLS FDG LLC	29,940,625	2.11
FEDERAL FARM CREDIT BANK	25,043,139	1.76
INSTITUTIONAL SECURED	24,995,646	1.76
ANGLESEA FDG PLC & ANG	24,970,688	1.76
ING (US) FUNDING LLC	24,845,650	1.75

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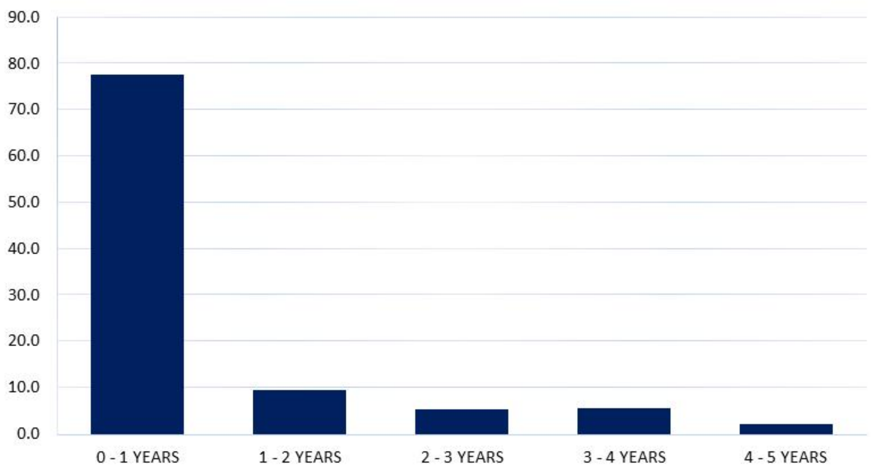
POOL 3 ST AGCY INT

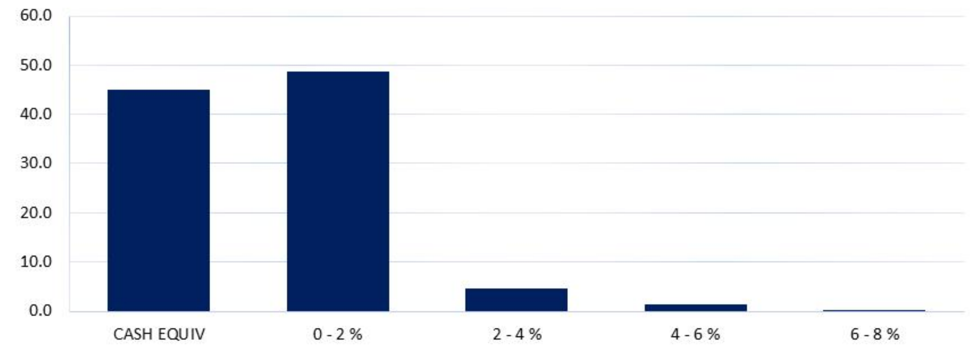
Duration Distribution



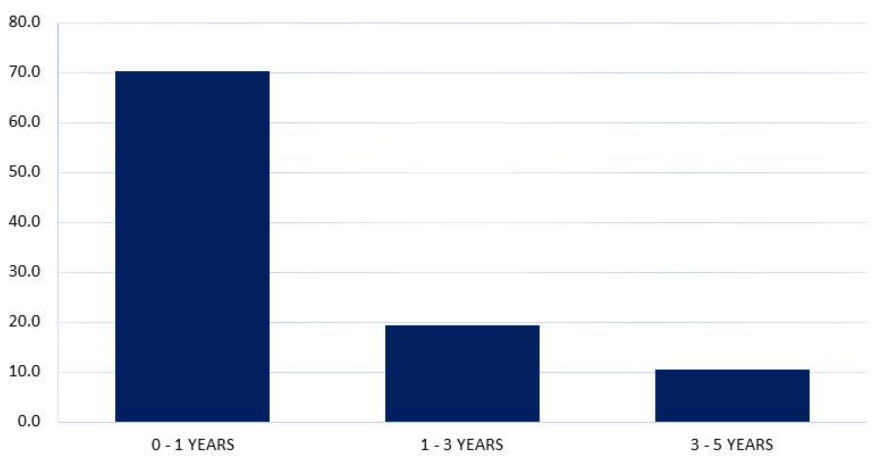
Portfolio Level Characteristics

	POOL 3 ST AGCY INT.
Weighted Average Life	1.08
Coupon	1.10
Effective Duration	0.80
Quality Rating (Moody's)	AA-1

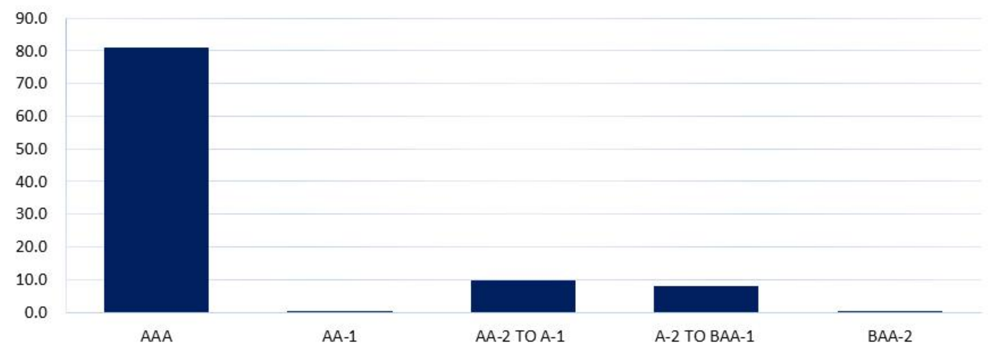
Coupon Distribution



Expected Maturity Distribution



Rating Distribution



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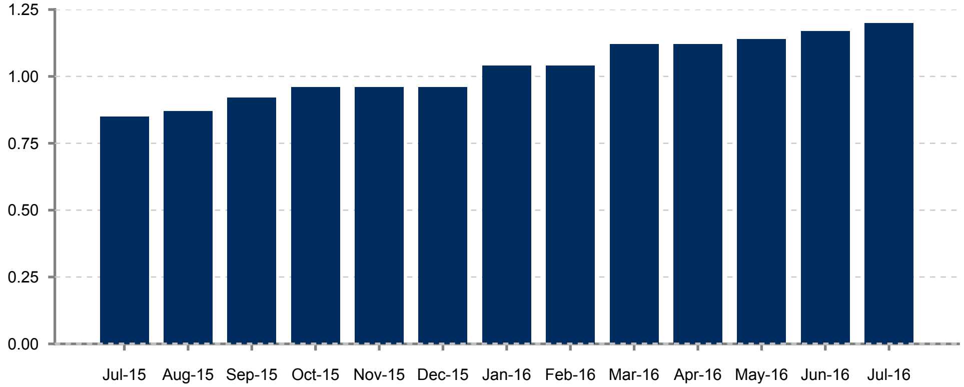
POOL 3 ST AGCY EXT.

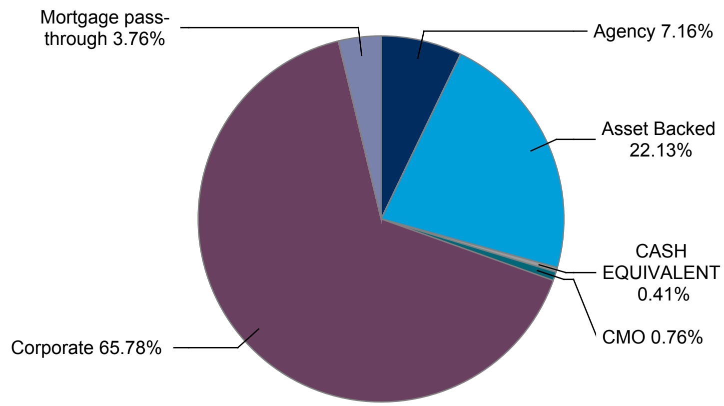
Net Yield



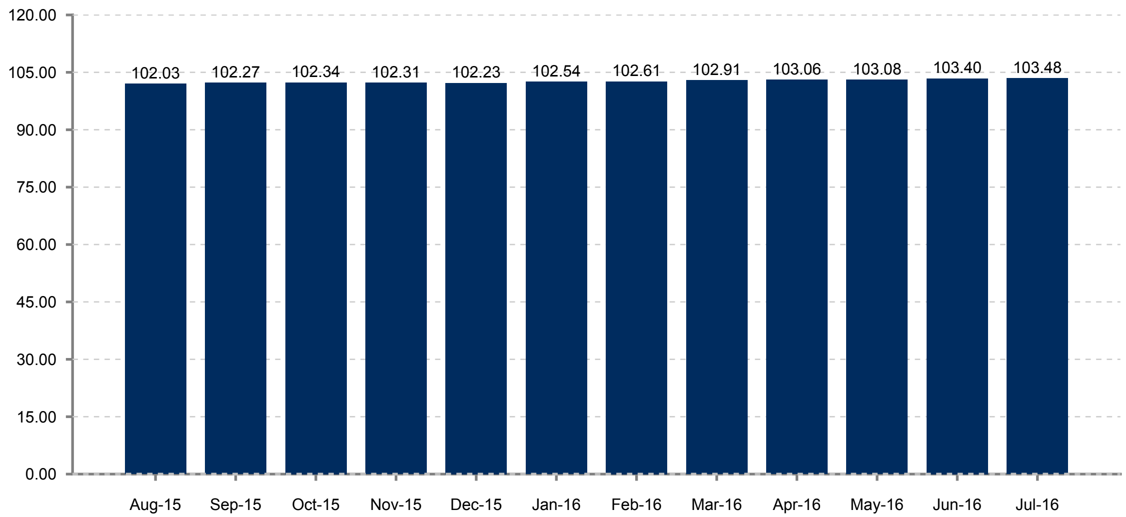
	Current Mth	Prior Mth	1 Year Ago
POOL 3 ST AGCY EXT.	1.20	1.17	0.85

Asset Allocation

	Ending Market Value
POOL 3 ST AGCY EXT.	103,476,990



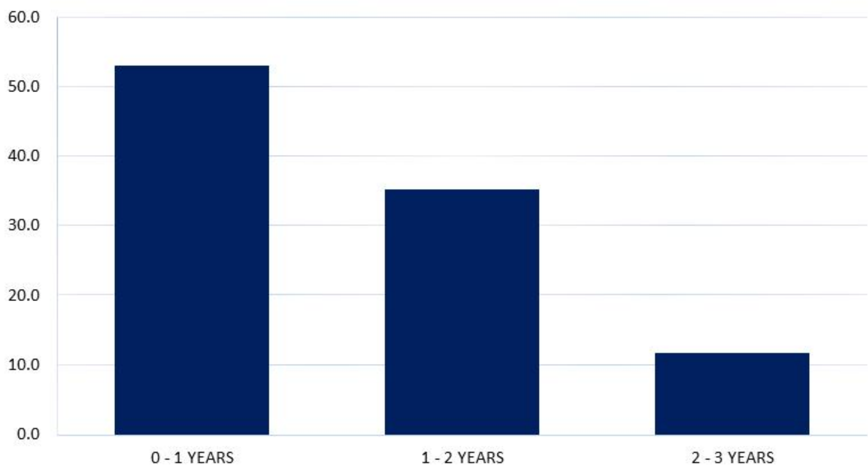
Net Asset Values over Time ($MM)



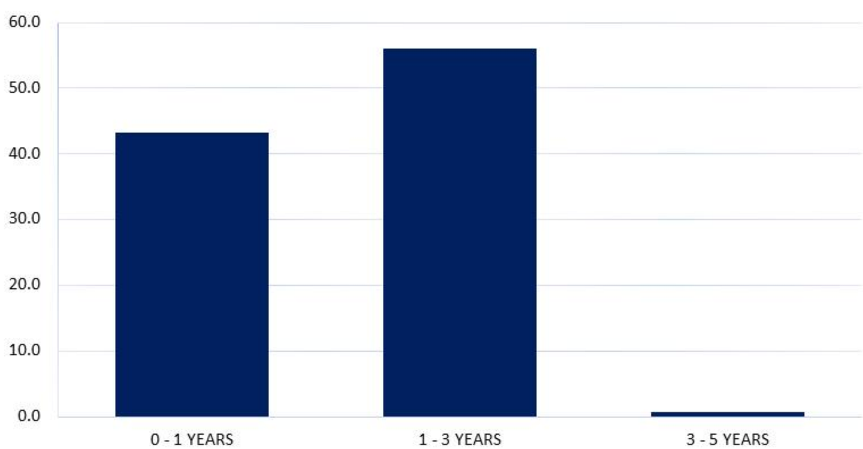
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 3 ST AGCY EXT.		
FREDDIE MAC	2,800,769	2.71
FNMA POOL MA1443	2,718,760	2.63
FREDDIE MAC	2,005,453	1.94
CITIBANK CREDIT CARD ISSUANCE	1,738,954	1.68
COSTCO WHOLESALE CORP	1,609,031	1.55
3M COMPANY	1,558,882	1.51
FEDERAL FARM CREDIT BANK	1,505,865	1.46
PEPSICO INC	1,504,565	1.45
APPLE INC	1,405,908	1.36
CISCO SYSTEMS INC	1,403,781	1.36

Duration Distribution



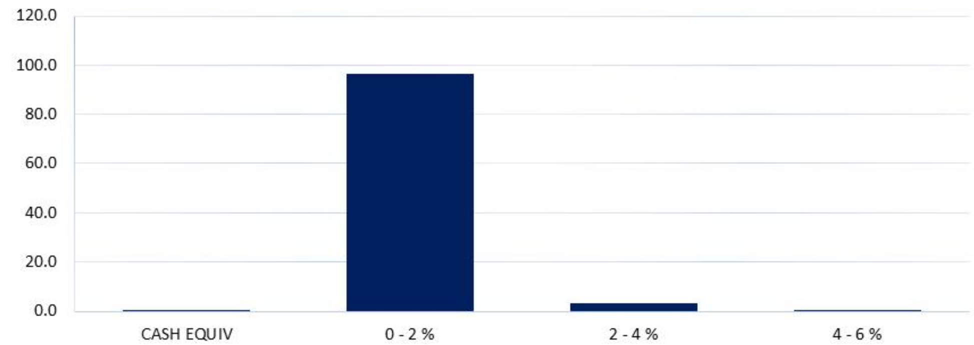
Expected Maturity Distribution



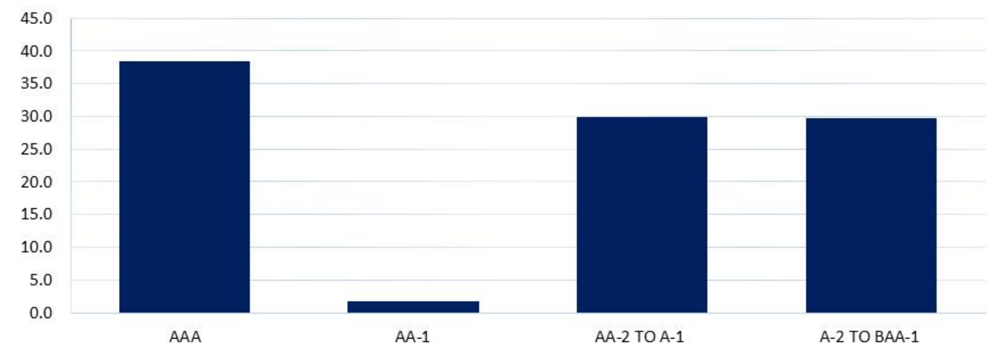
Portfolio Level Characteristics

	POOL 3 ST AGCY EXT.
Weighted Average Life	1.35
Coupon	1.27
Effective Duration	1.07
Quality Rating (Moody's)	AA-3

Coupon Distribution



Rating Distribution

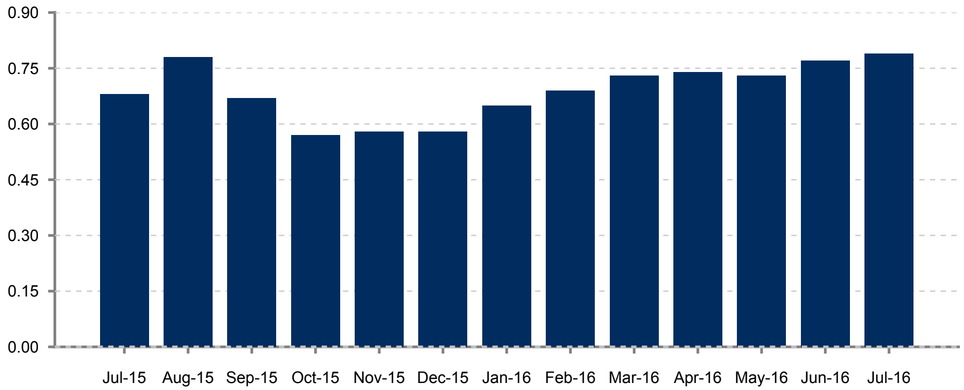


OFFICE OF THE ARIZONA STATE TREASURER

July 31, 2016

POOL 4 ST AGCY GOV.

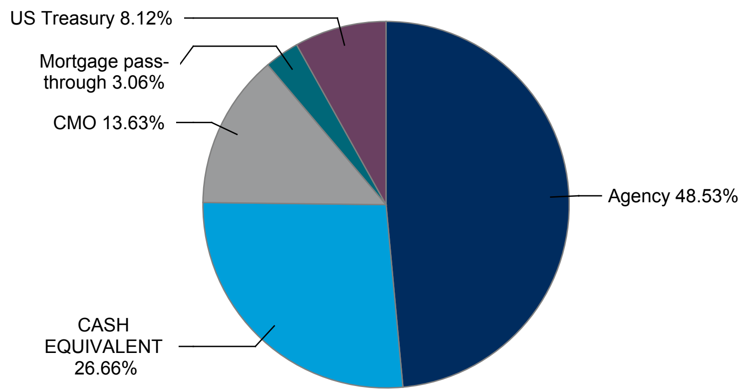
Net Yield



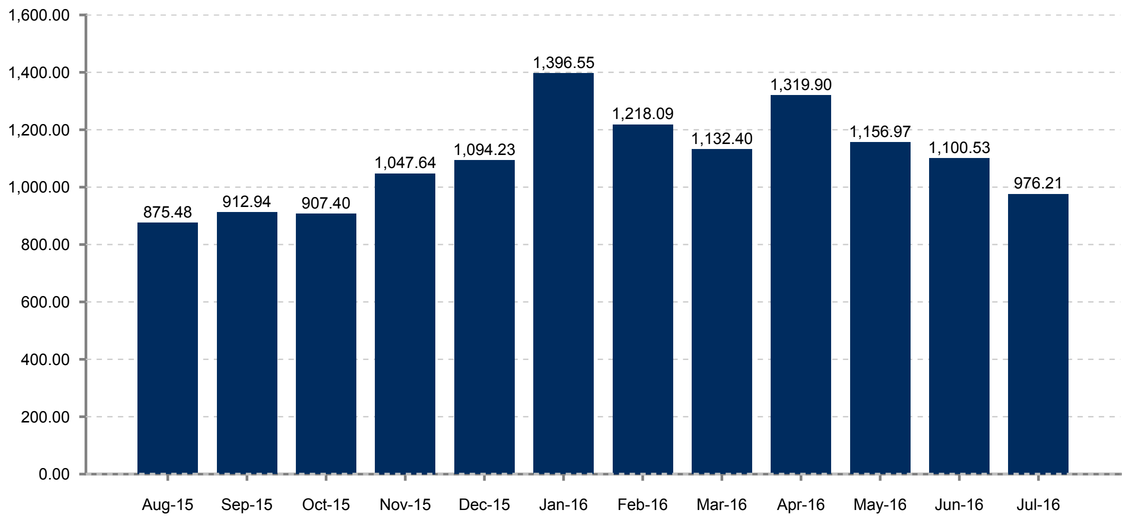
	Current Mth	Prior Mth	1 Year Ago
POOL 4 ST AGCY GOV.	0.79	0.77	0.68

Asset Allocation

	Ending Market Value
POOL 4 ST AGCY GOV.	976,213,431



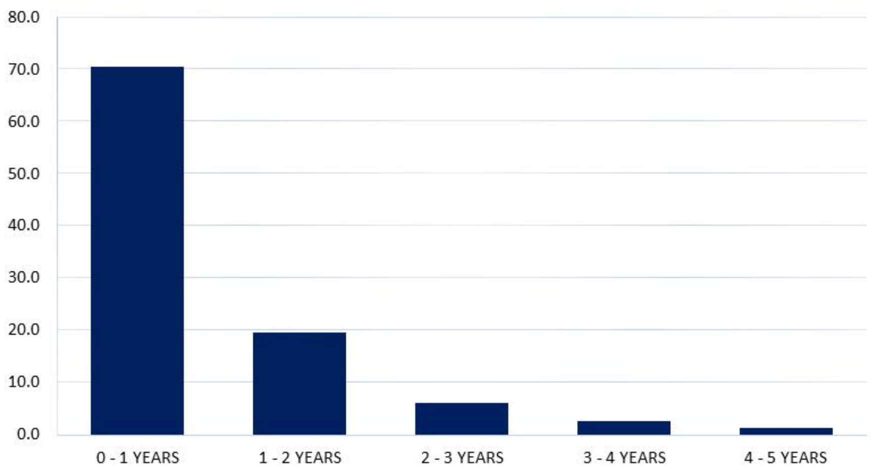
Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 4 ST AGCY GOV.		
SOUTH STREET REPO	134,196,380	13.75
AMHERST PIERPONT	47,915,230	4.91
FED HOME LN DISCOUNT NT	29,970,804	3.07
FANNIEMAE ACES	22,541,647	2.31
FREDDIE MAC	20,071,439	2.06
FEDERAL FARM CREDIT BANK	20,064,938	2.06
FARMER MAC	20,055,081	2.05
FARMER MAC DISCOUNT NOTE	20,000,000	2.05
FARMER MAC DISCOUNT NOTE	19,996,111	2.05
FEDERAL FARM CREDIT BANK	19,995,110	2.05

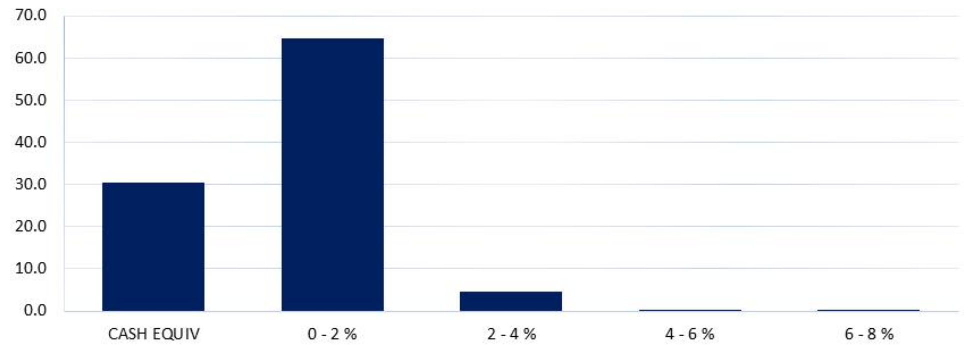
Duration Distribution



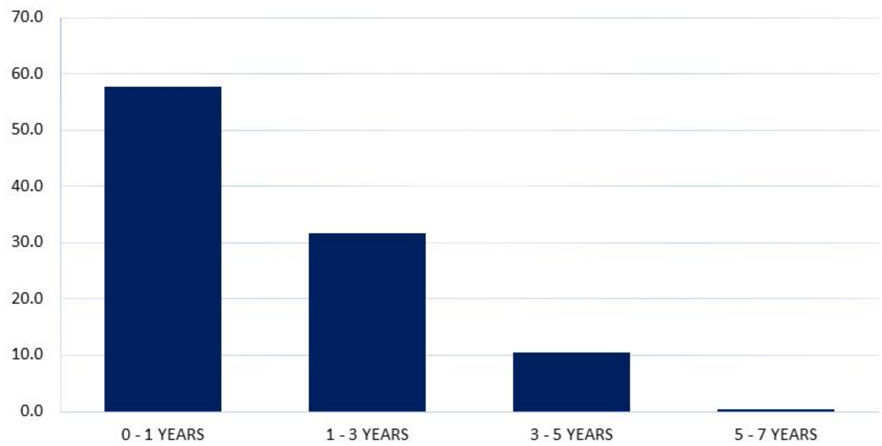
Portfolio Level Characteristics

	POOL 4 ST AGCY GOV.
Weighted Average Life	1.11
Coupon	0.87
Effective Duration	0.78
Quality Rating (Moody's)	AAA

Coupon Distribution



Expected Maturity Distribution



Rating Distribution

OFFICE OF THE ARIZONA STATE TREASURER

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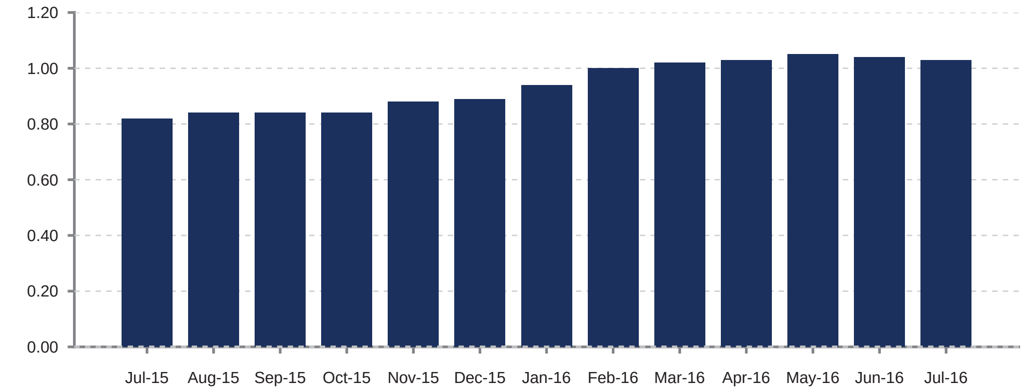
POOL 10 ST OPERATING INT

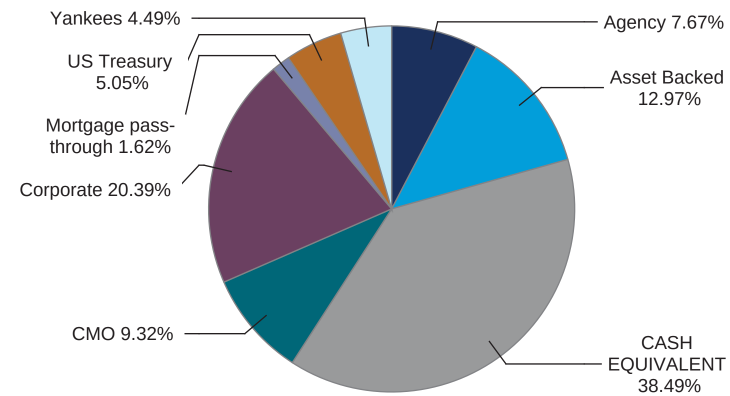
Net Yield



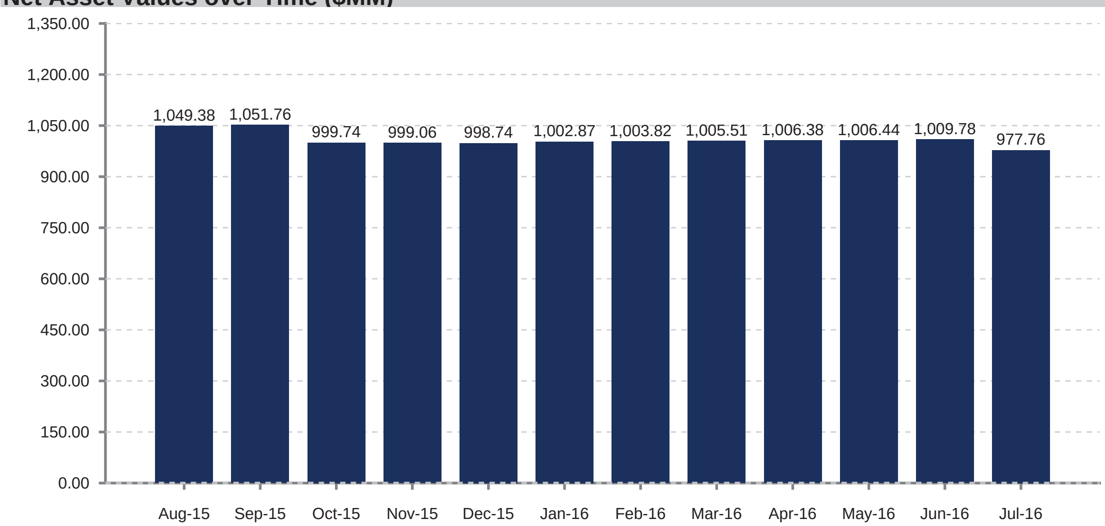
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPER INT	1.03	1.04	0.82

Asset Allocation

	Ending Market Value
POOL 10 ST OPER INT	977,757,343



Net Asset Values over Time ($MM)

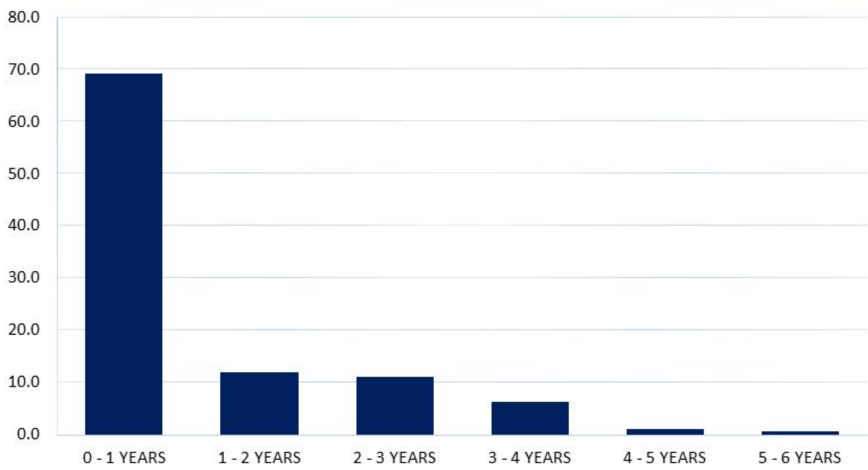


Top 10 Holdings

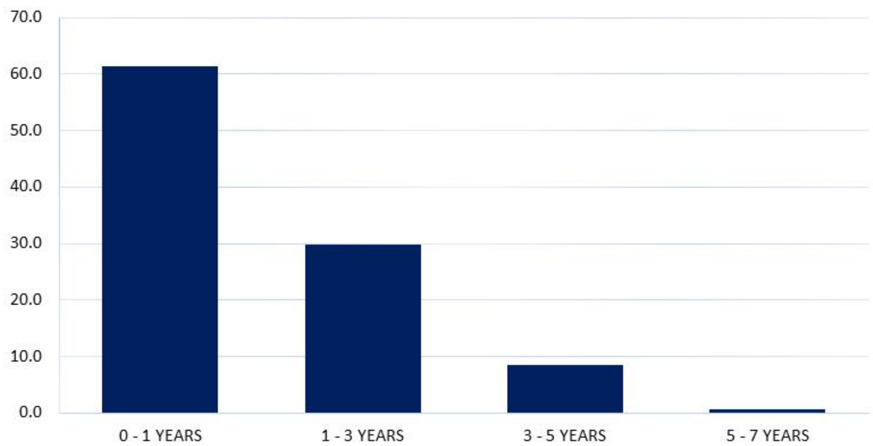
Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPER INT		
AMHERST PIERPONT	52,088,436	5.33
SOUTH STREET REPO	36,915,063	3.78
NATIONAL SECS CLEARING	29,998,000	3.07
ANGLESEA FDG PLC & ANG	24,970,688	2.55
MANHATTAN ASSET FDG.	24,936,720	2.55
ING (US) FUNDING LLC	24,845,650	2.54
WESTPAC BANKING CORP.	24,781,765	2.53
US TREASURY N/B	20,471,140	2.09
MIZUHO BANK LTD	20,002,999	2.05
STARBIRD FDG. CORP	19,999,667	2.05

STATE STREET.

Duration Distribution



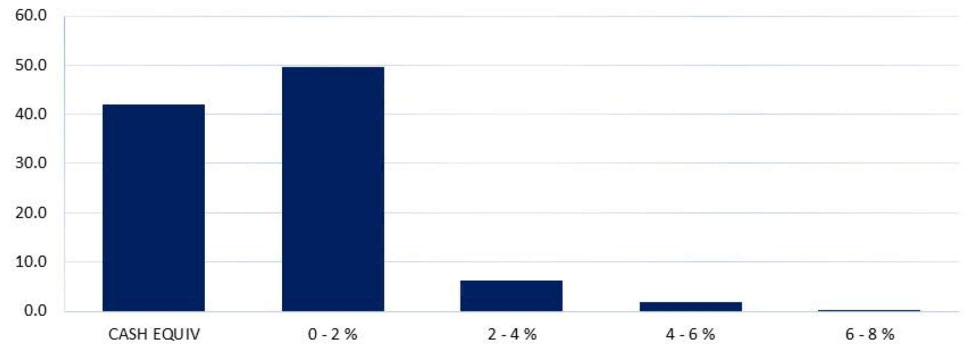
Expected Maturity Distribution



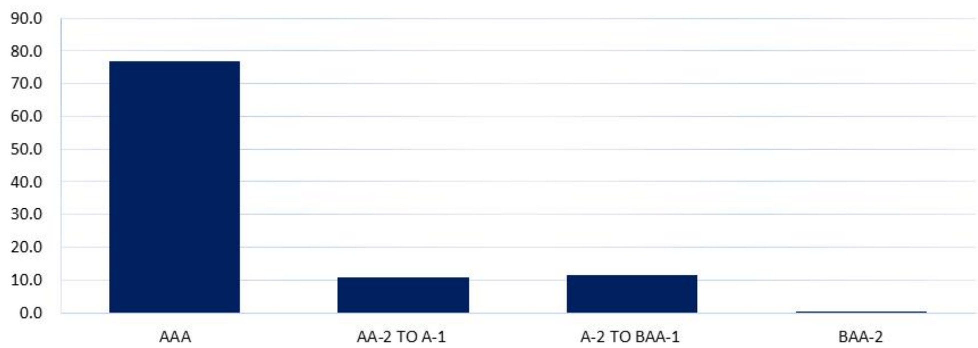
Portfolio Level Characteristics

	POOL 10 ST OPERATING INT
Weighted Average Life	1.12
Coupon	0.99
Effective Duration	0.95
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



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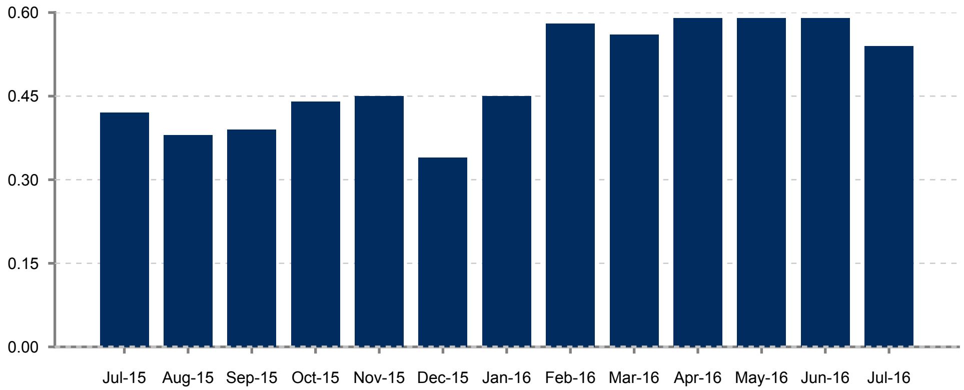
POOL 10 ST OPERATING Ext

STATE STREET.

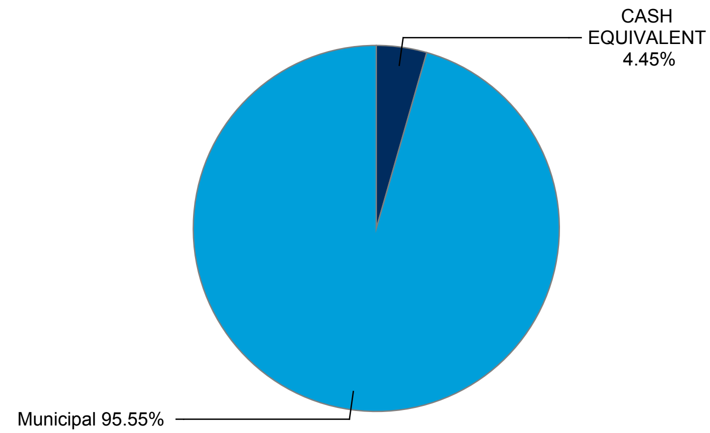
Net Yield



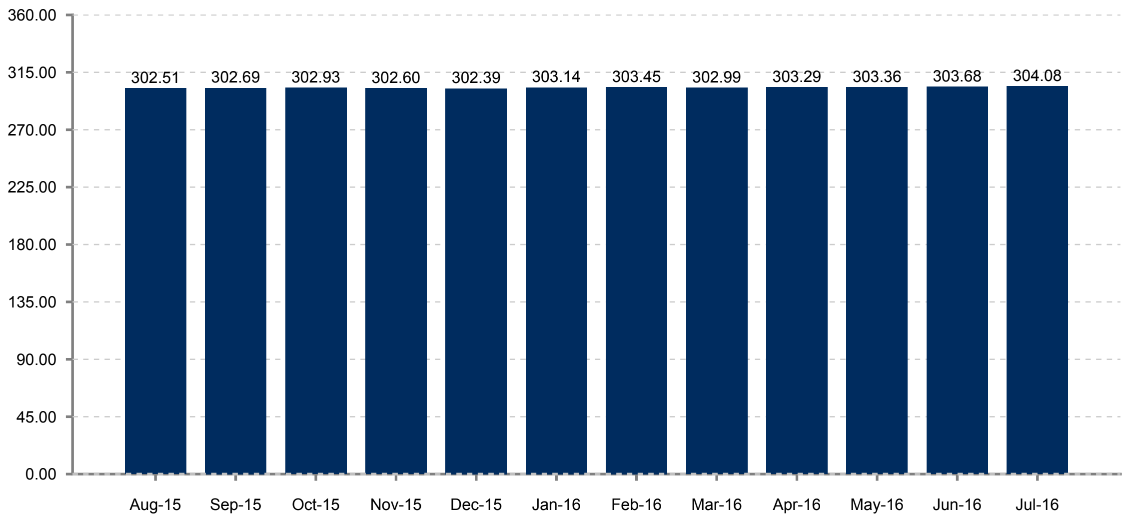
	Current Mth	Prior Mth	1 Year Ago
POOL 10 ST OPERATING	0.54	0.59	0.42

Asset Allocation

	Ending Market Value
POOL 10 ST OPERATING	304,081,492



Net Asset Values over Time ($MM)



Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 10 ST OPERATING		
INVESCO TAX FREE CASH RESERVE	13,550,645	4.46
PORTLAND OR CMNTY CLG DIST	12,286,279	4.04
HOUSTON TX INDEP SCH DIST	11,797,531	3.88
PORTLAND OR SWR SYS REVENUE	11,502,847	3.78
VIRGINIA BEACH VA	10,903,389	3.59
MULTNOMAH CNTY OR SCH DIST 1J	10,452,808	3.44
MADISON WI	10,420,167	3.43
NORTH SLOPE BORO AK	10,243,230	3.37
IDAHO ST	10,148,386	3.34
SPOKANE CNTY WA SCH DIST 81 S	9,931,188	3.27

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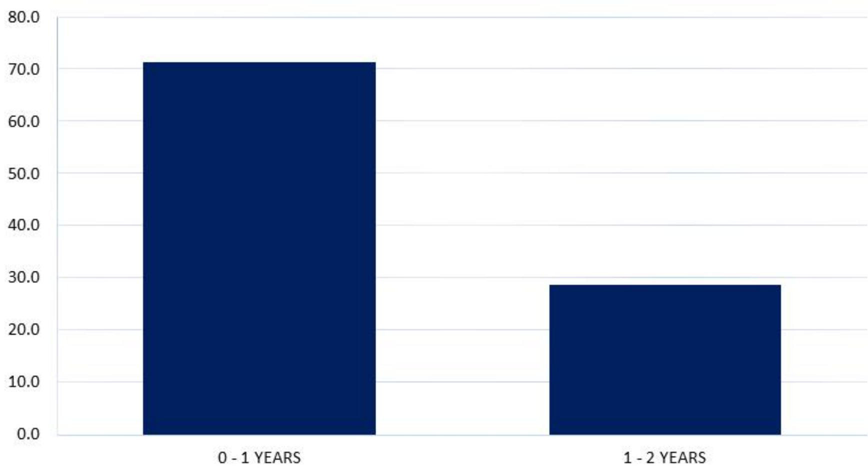
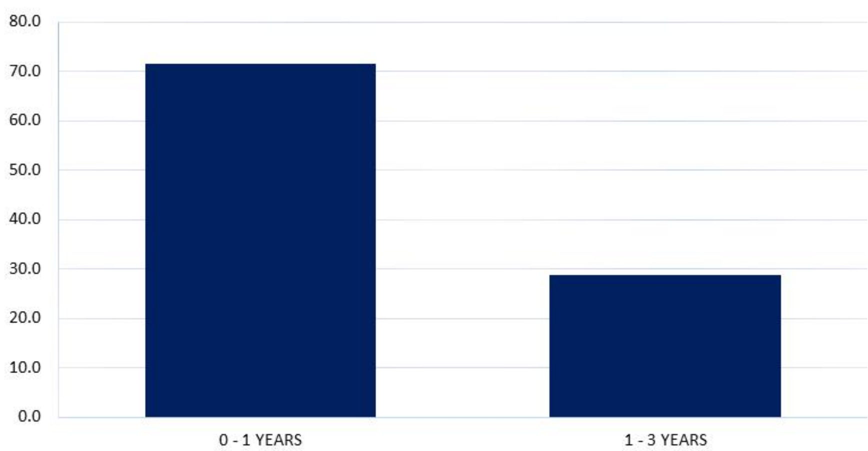
July 31, 2016

POOL 10 ST OPERATING Ext

Duration Distribution



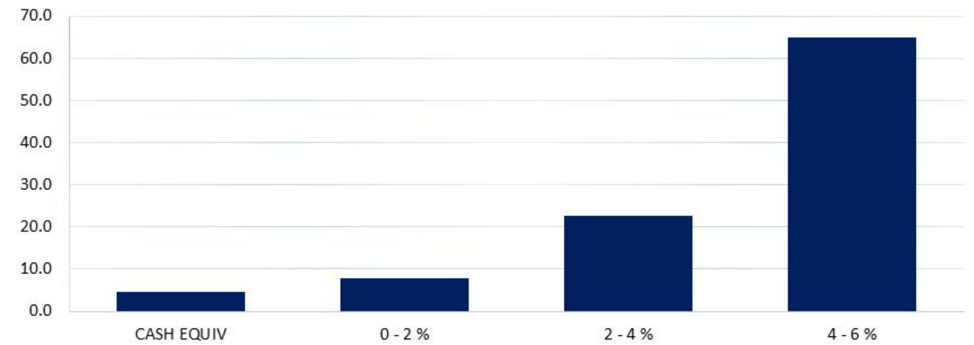
Expected Maturity Distribution



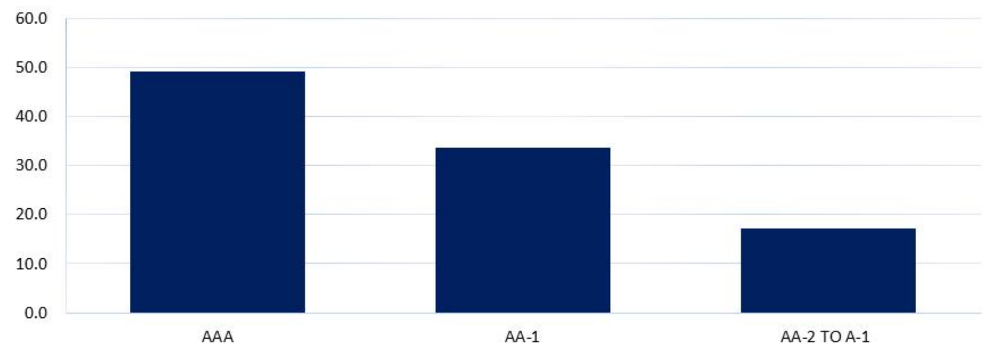
Portfolio Level Characteristics

	POOL 10 ST OPERATING
Weighted Average Life	0.81
Coupon	4.19
Effective Duration	0.78
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



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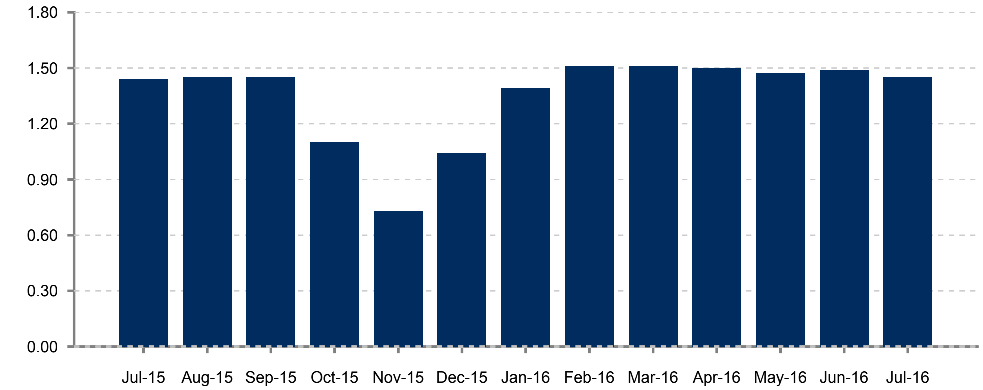
July 31, 2016

POOL 12 CAWCD MED TRM

STATE STREET.

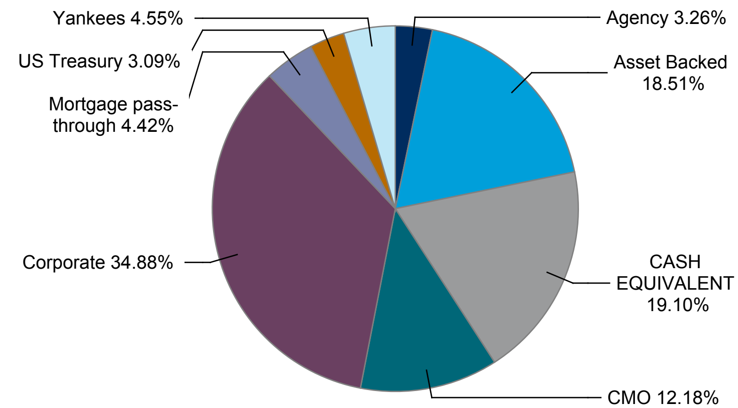
Net Yield



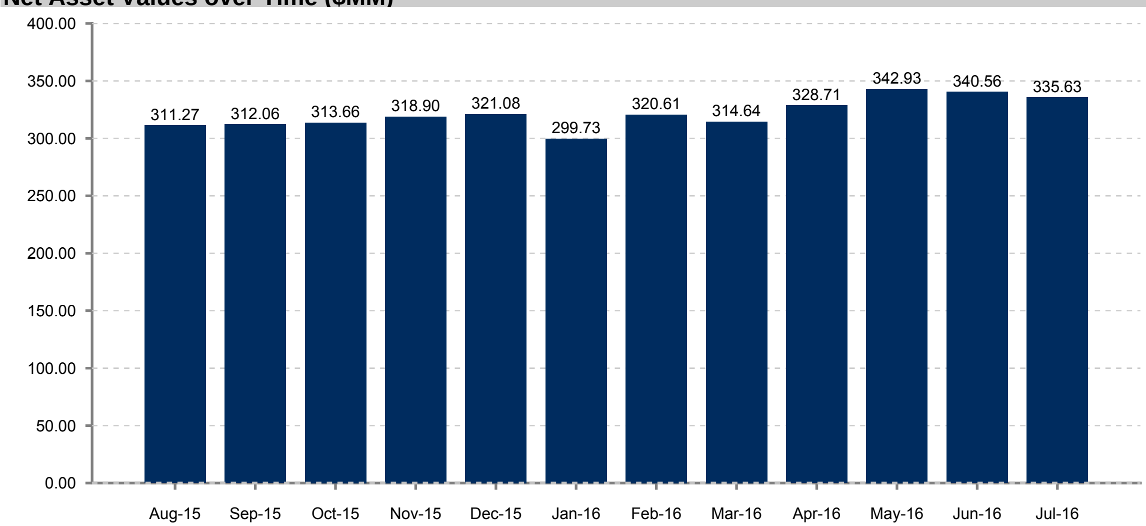
	Current Mth	Prior Mth	1 Year Ago
POOL 12 CAWCD MED TRM	1.45	1.49	1.44

Asset Allocation

	Ending Market Value
POOL 12 CAWCD MED TRM	335,632,427



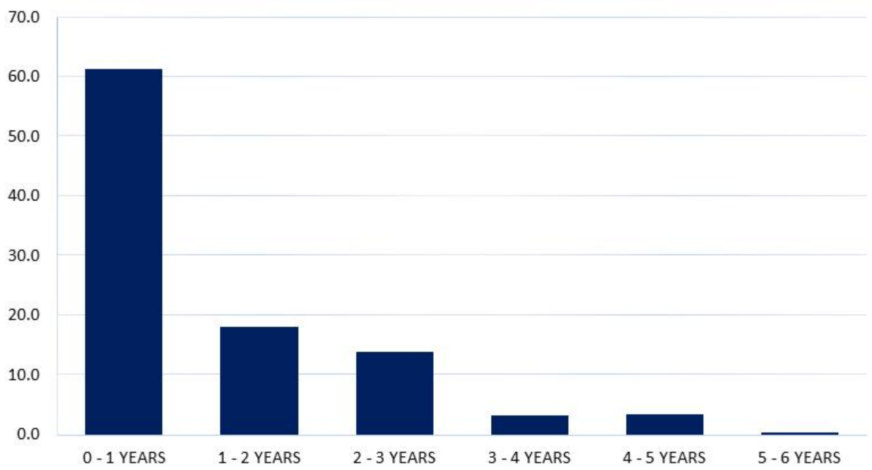
Net Asset Values over Time ($MM)



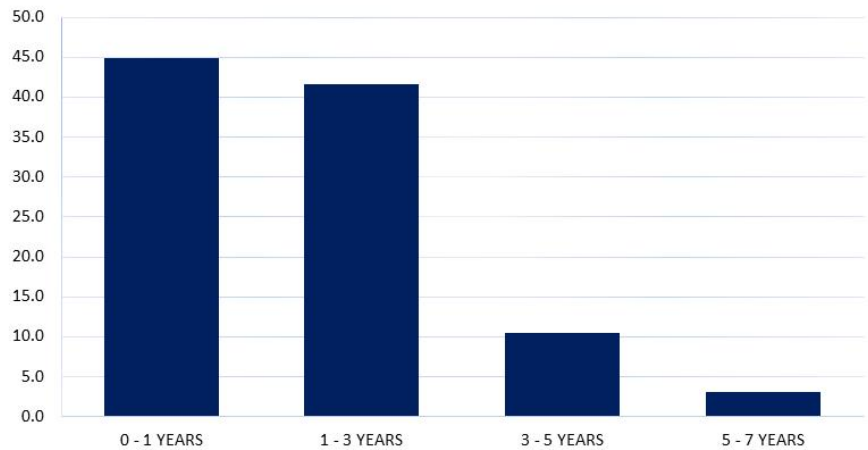
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 12 CAWCD MED TRM		
SOUTH STREET REPO	27,957,663	8.33
GM FINANCIAL AUTOMOBILE LEASIN	10,059,518	3.00
HONDA AUTO RECEIVABLES OWNER T	6,008,545	1.79
FNMA POOL AV9175	5,880,891	1.75
FANNIE MAE	5,519,958	1.64
US TREASURY N/B	5,145,155	1.53
APPLE INC	5,125,123	1.53
GOLDMAN SACHS GROUP INC	5,065,548	1.51
BARCLAYS BANK PLC	5,039,158	1.50
US TREASURY N/B	5,037,960	1.50

Duration Distribution



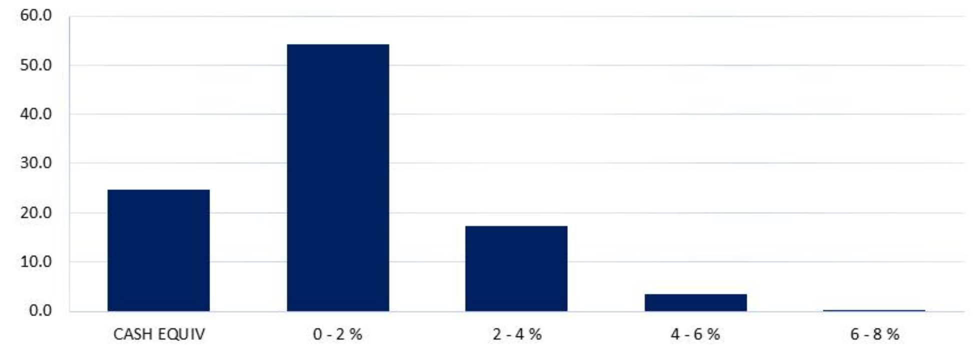
Expected Maturity Distribution



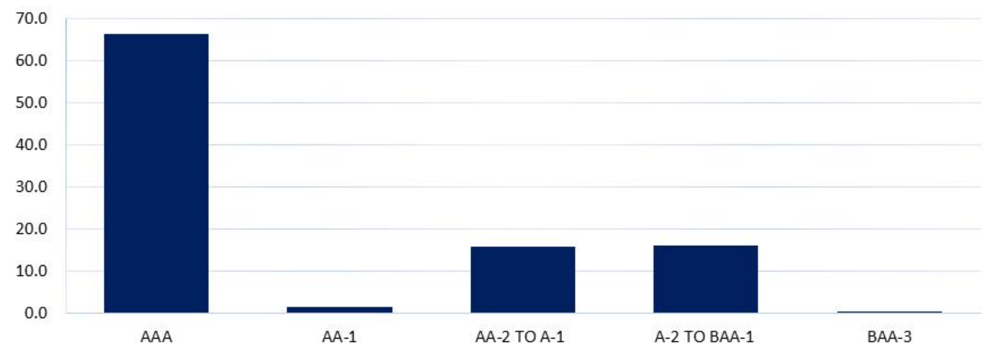
Portfolio Level Characteristics

	POOL 12 CAWCD MED TRM
Weighted Average Life	1.57
Coupon	1.66
Effective Duration	1.05
Quality Rating (Moody's)	AA-1

Coupon Distribution



Rating Distribution



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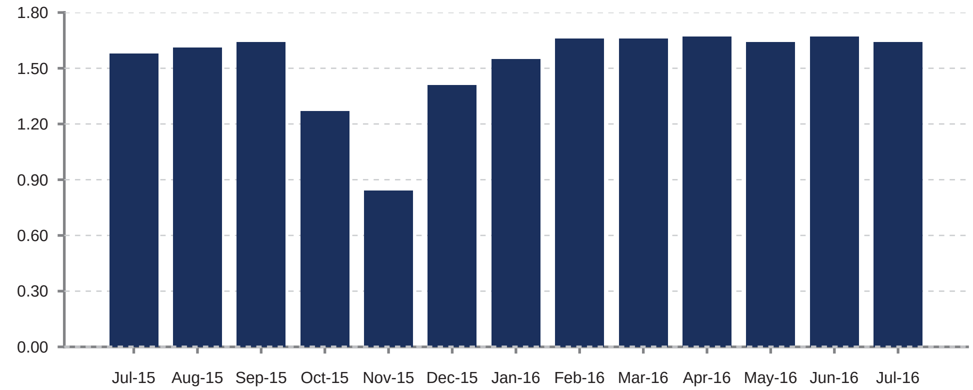
POOL 16 ECDHB

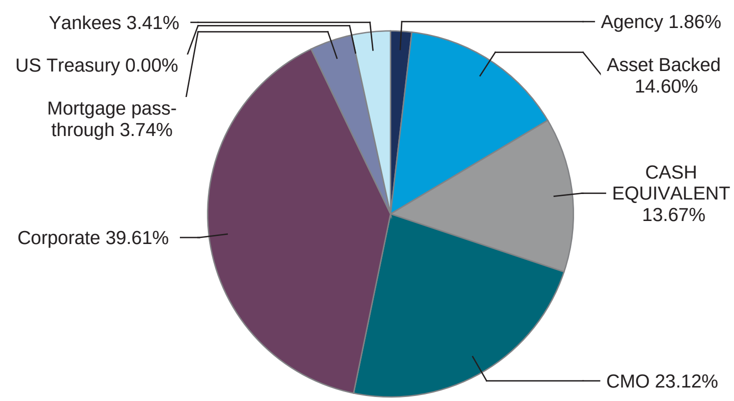
Net Yield



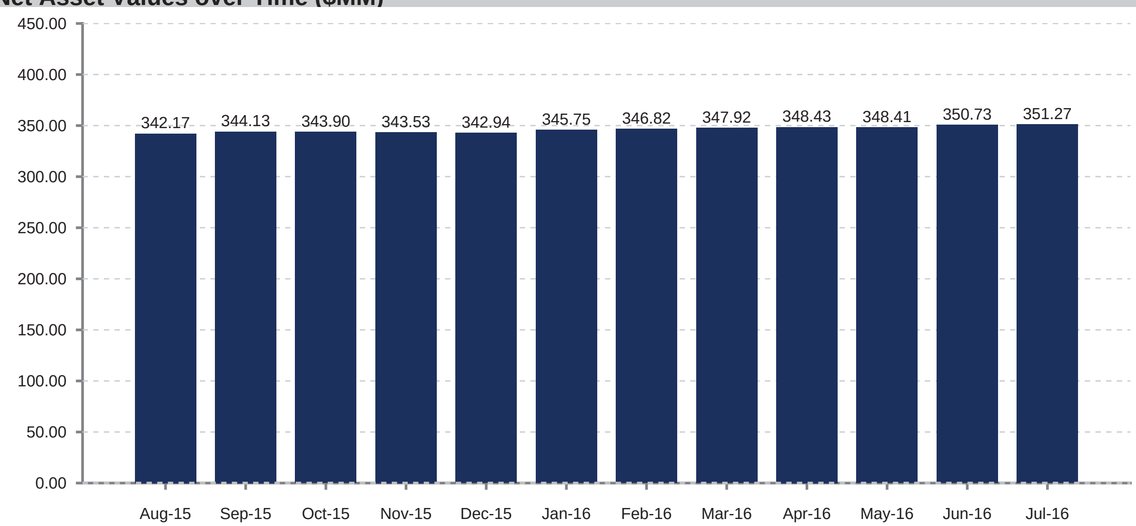
	Current Mth	Prior Mth	1 Year Ago
POOL 16 ECDHB	1.64	1.67	1.58

Asset Allocation

	Ending Market Value
POOL 16 ECDHB	351,265,622



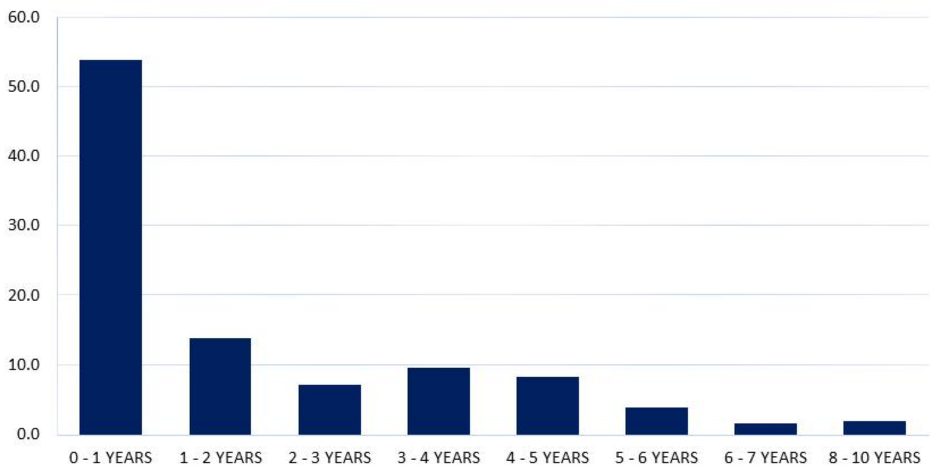
Net Asset Values over Time ($MM)



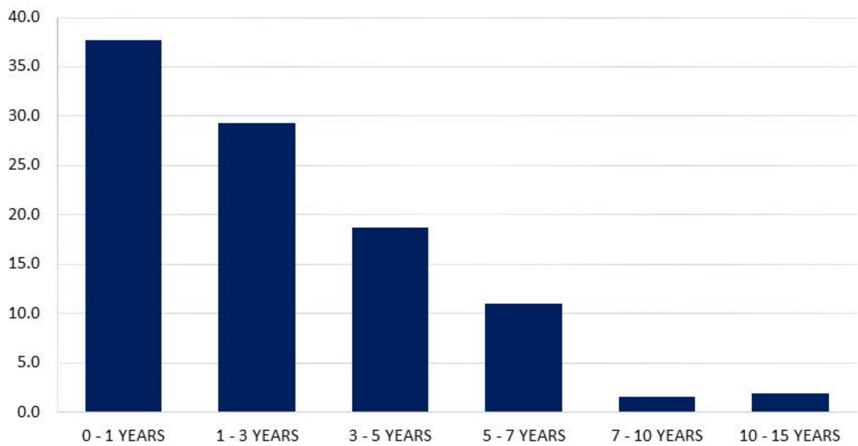
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 16 ECDHB		
GUGGENHEIM SECURITIES REPO	15,000,625	4.27
FREDDIEMAC STRIP	7,517,959	2.14
NATIONAL CITY BANK	7,005,855	1.99
FANNIE MAE	6,655,232	1.89
FREDDIE MAC	6,243,417	1.78
SOUTH STREET REPO	6,000,611	1.71
FREDDIE MAC	5,695,617	1.62
FHLMC MULTIFAMILY STRUCTURED P	5,342,851	1.52
FREDDIE MAC	5,328,133	1.52
GOVERNMENT NATIONAL MORTGAGE A	5,234,350	1.49

Duration Distribution



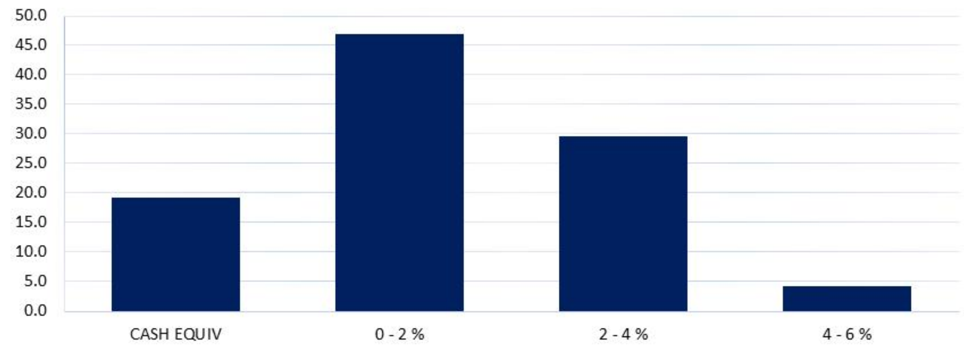
Expected Maturity Distribution



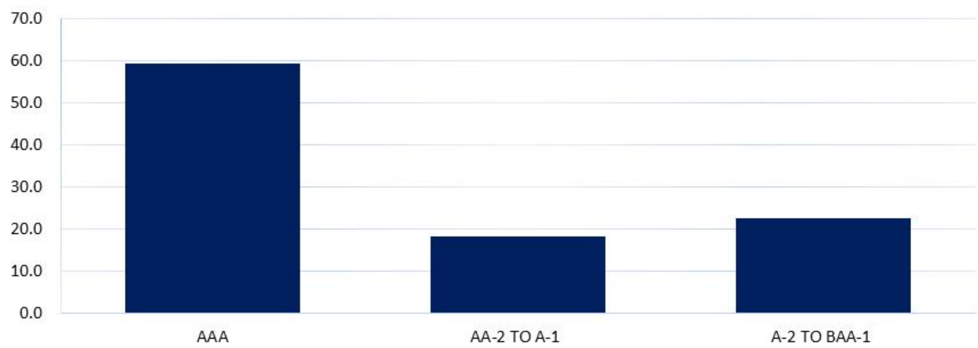
Portfolio Level Characteristics

	POOL 16 ECDHB
Weighted Average Life	2.43
Coupon	1.89
Effective Duration	1.66
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



LGIP & LGIP- GOV
PORTFOLIO YIELD ANALYSIS
JULY 2016

NET EARNINGS

FUND	DESCRIPTION	Current Month 07/31/16	Prior Month 06/30/16	Prior Year 07/31/15	Net Asset Value Per Share
5	LGIP	420,123	406,990	124,098	1.0000
7	LGIP - GOV	351,826	399,633	75,796	1.0000
	TOTAL LGIP & LGIP-GOV	771,948	806,624	199,894	

YIELDS

	MONTHLY	Current Month 07/31/16	Prior Month 06/30/16	Prior Year 7/31/15
5	LGIP (NET)	0.43%	0.39%	0.13%
	S & P LGIP INDEX	0.40%	0.38%	0.07%
7	LGIP - GOV (NET)	0.37%	0.37%	0.09%
	3 MONTH T-BILL	0.29%	0.26%	0.02%
	YEAR TO DATE			
5	LGIP (NET)	0.43%	0.27%	0.13%
	S & P LGIP INDEX	0.40%	0.20%	0.07%
7	LGIP - GOV (NET)	0.37%	0.22%	0.09%
	3 MONTH T-BILL	0.29%	0.16%	0.02%

* Note: The LGIP-GOV Pool consists of only securities explicitly backed by the full faith & credit of the US Government.

LGIP & LGIP- GOV MEDIUM TERM POOLS
PORTFOLIO YIELD ANALYSIS
JULY 2016

NET EARNINGS

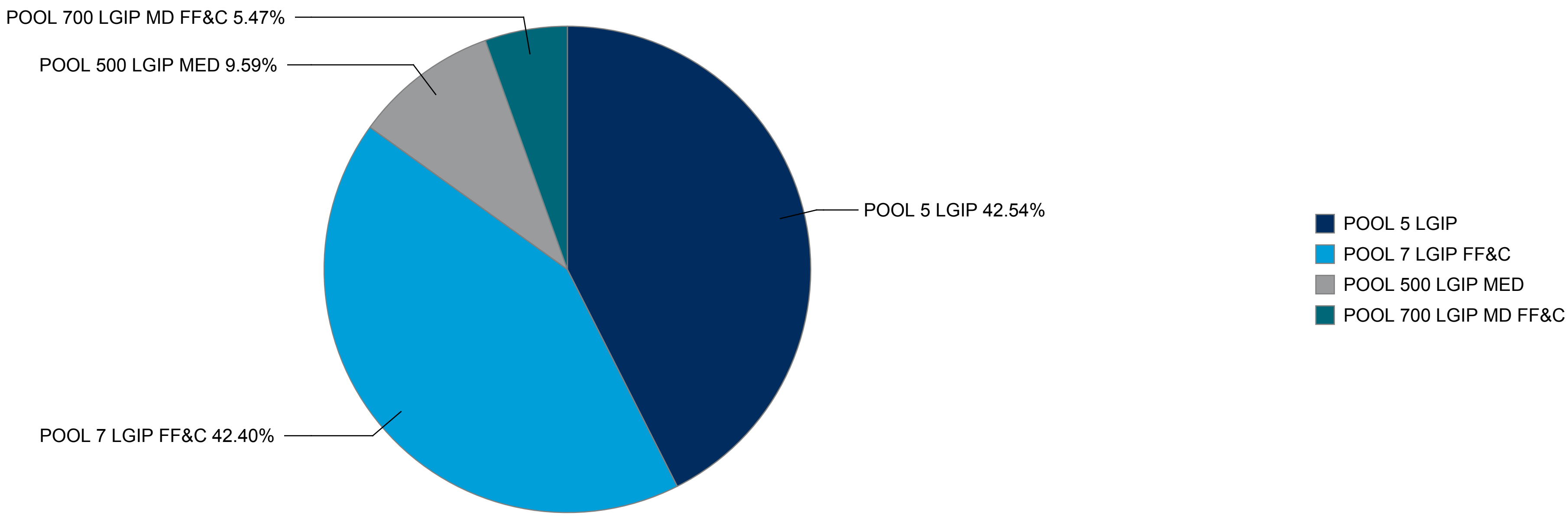
FUND	DESCRIPTION	Current Month 07/31/16	Prior Month 06/30/16	Prior Year 07/31/15	Net Asset Value Per Share
500	LGIP - MED TERM POOL	275,415	292,690	236,813	1.0376
700	LGIP - FF&C MED TERM POOL	130,150	132,072	93,657	1.0153
	TOTAL LGIP MEDIUM TERM POOLS	405,565	424,762	330,469	

YIELDS

	MONTHLY	Current Month 07/31/16	Prior Month 06/30/16	Prior Year 7/31/15
500	LGIP - MED TERM (NET)	1.28%	1.44%	1.17%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.08%	1.07%	1.08%
700	LGIP - FF&C MED TERM (NET)	1.06%	1.12%	0.76%
	75% MERRILL 1-5 US TREAS INDEX / 15% MERRILL US GNMA 15 YR INDEX / 10% MERRILL US 3 MO T-BILL INDEX	0.83%	0.79%	0.99%
	YEAR TO DATE			
500	LGIP - MED TERM (NET)	1.28%	1.28%	1.17%
	75% MERRILL 1-5 US D M INDEX / 25% S & P LGIP INDEX	1.08%	1.18%	1.08%
700	LGIP - FF&C MED TERM (NET)	1.06%	1.02%	0.76%
	75% MERRILL 1-5 US TREAS INDEX / 15% MERRILL US GNMA 15 YR INDEX / 10% MERRILL US 3 MO T-BILL INDEX	0.83%	1.02%	0.99%

STATE STREET.

Manager Allocation



	Market Value	% of Portfolio
POOL 5 LGIP	1,125,862,491	42.5
POOL 7 LGIP FF&C	1,122,019,259	42.4
POOL 500 LGIP MED	253,699,314	9.6
POOL 700 LGIP MD FF&C	144,859,984	5.5
TOTAL LGIP	2,646,441,048	100.0

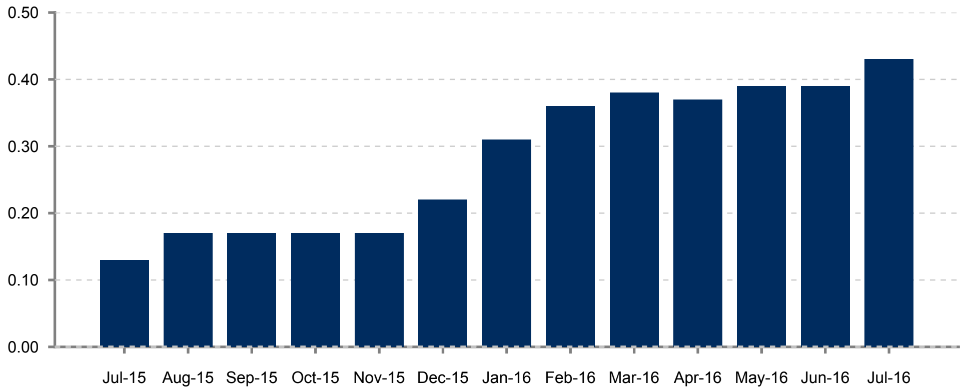
OFFICE OF THE ARIZONA STATE TREASURER

July 31, 2016

POOL 5 LGIP

STATE STREET.

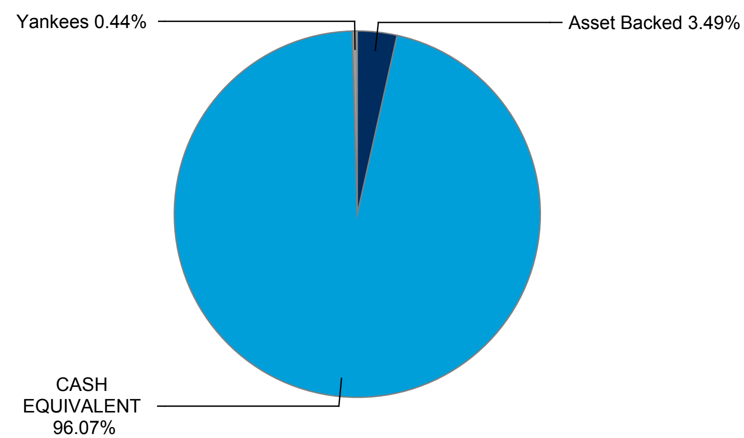
Net Yield



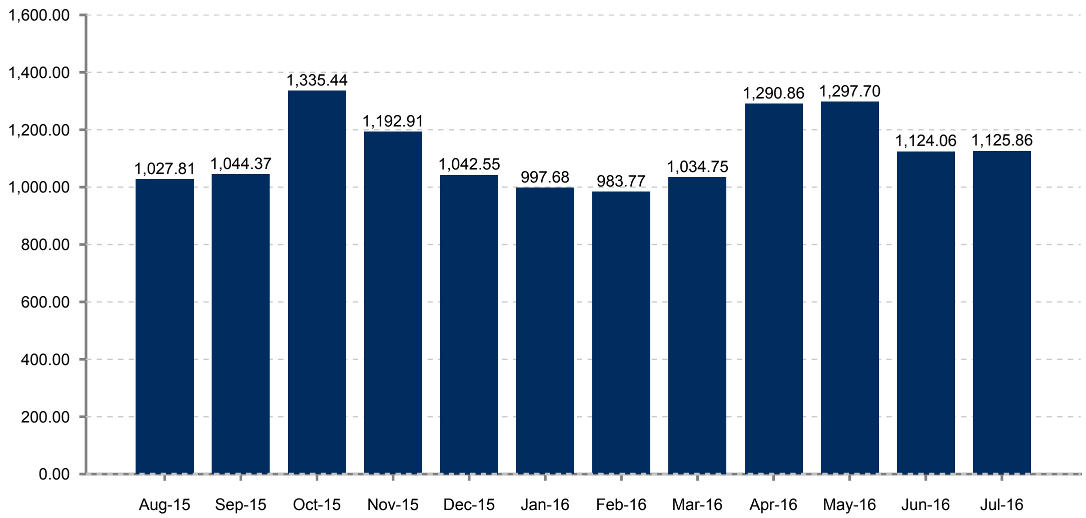
	Current Mth	Prior Mth	1 Year Ago
POOL 5 LGIP	0.43	0.39	0.13

Asset Allocation

	Ending Market Value
POOL 5 LGIP	1,125,862,491



Net Asset Values over Time ($MM)

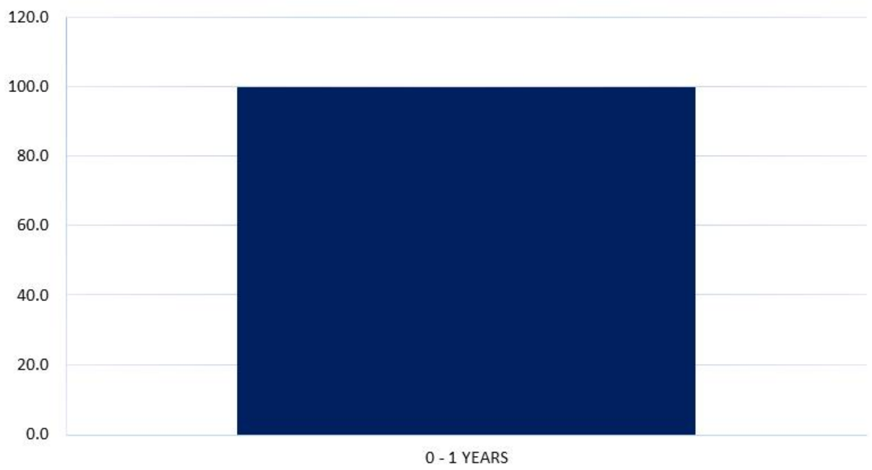


Top 10 Holdings

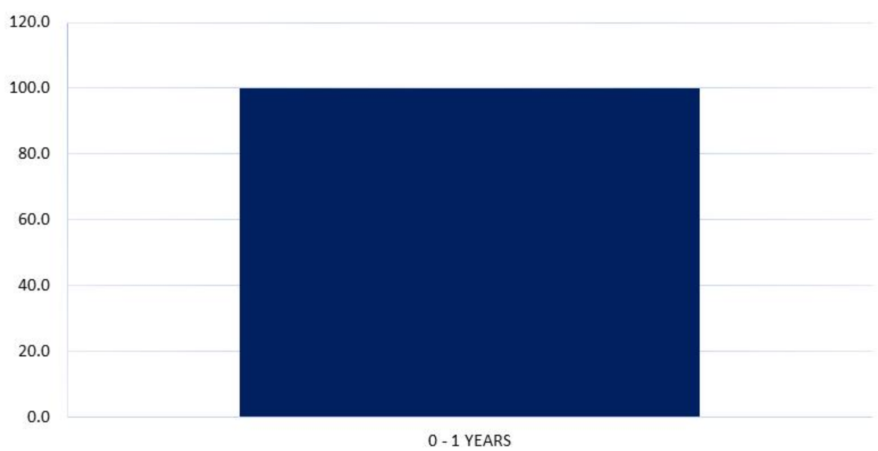
Security Name	Ending Market Value	% of Portfolio
POOL 5 LGIP		
WELLS FARGO REPO	150,005,000	13.32
BANK OF AMERICA REPO	92,340,578	8.20
FIDELITY INVESTMENTS MONEY	50,047,916	4.45
APPLE INC	30,000,000	2.66
STARBIRD FDG. CORP	29,999,492	2.66
ANGLESEA FDG PLC & ANG	29,996,208	2.66
BANK TOKYO MIT UFJ NY	29,995,350	2.66
VICTORY RECEIVABLES	29,992,492	2.66
MIZUHO BANK LTD	29,991,287	2.66
ARCHER DANIELS MIDLA	29,990,200	2.66

STATE STREET.

Duration Distribution



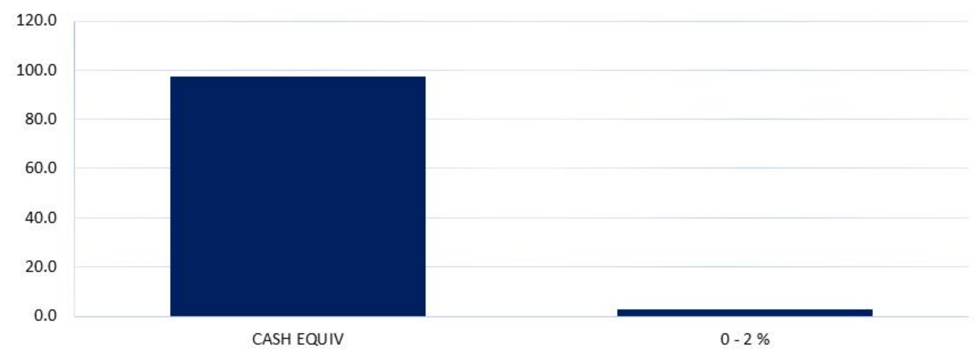
Expected Maturity Distribution



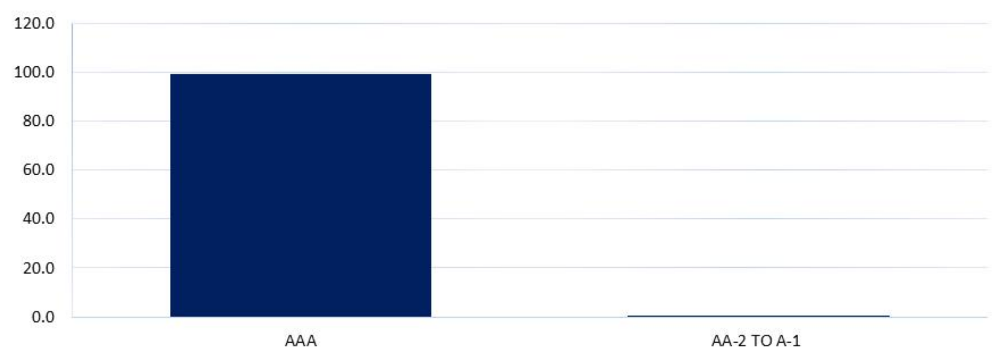
Portfolio Level Characteristics

	POOL 5 LGIP
Weighted Average Life	0.09
Coupon	0.04
Effective Duration	0.09
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution

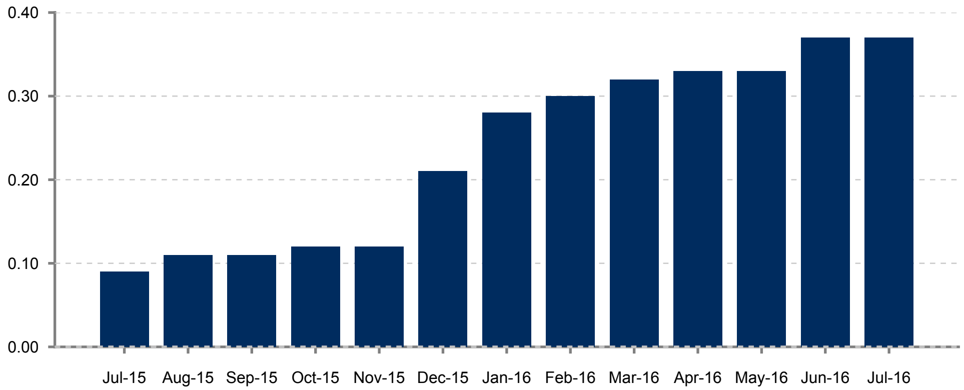


OFFICE OF THE ARIZONA STATE TREASURER

July 31, 2016

POOL 7 LGIP FF&C

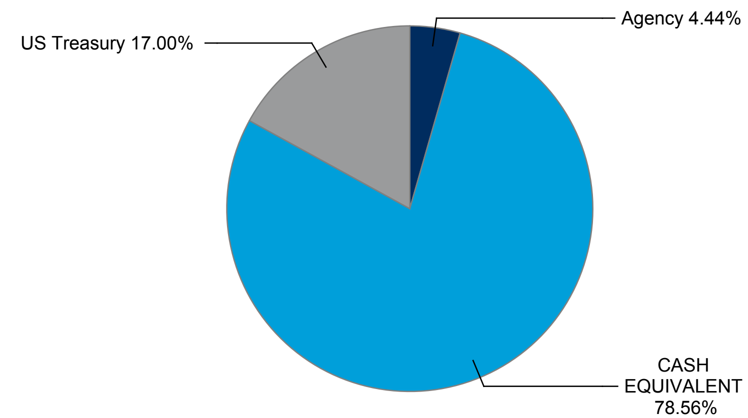
Net Yield



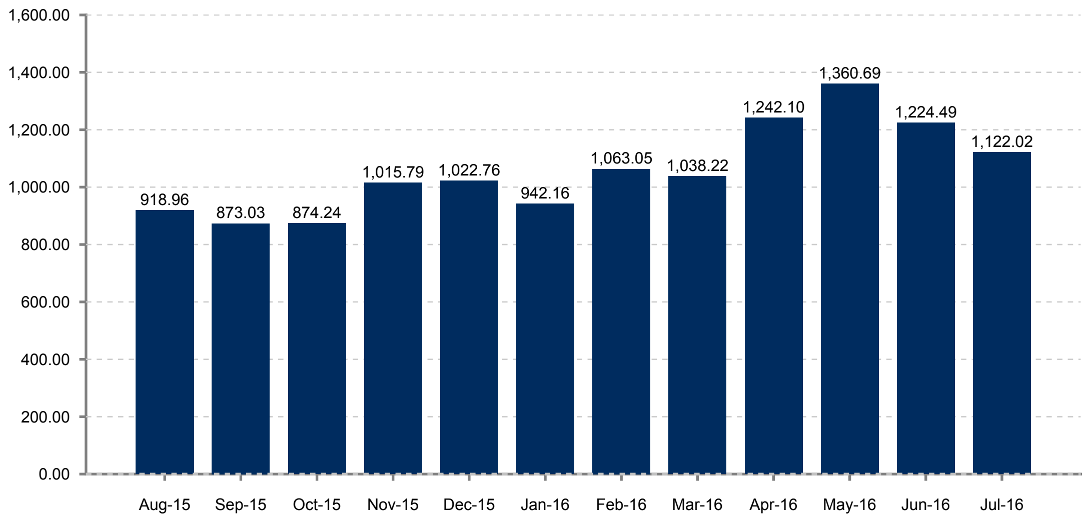
	Current Mth	Prior Mth	1 Year Ago
POOL 7 LGIP FF&C	0.37	0.37	0.09

Asset Allocation

	Ending Market Value
POOL 7 LGIP FF&C	1,122,019,259



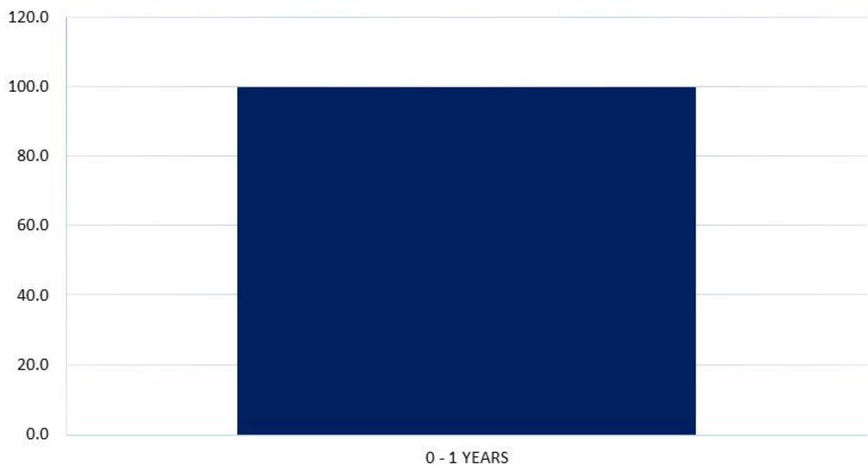
Net Asset Values over Time ($MM)



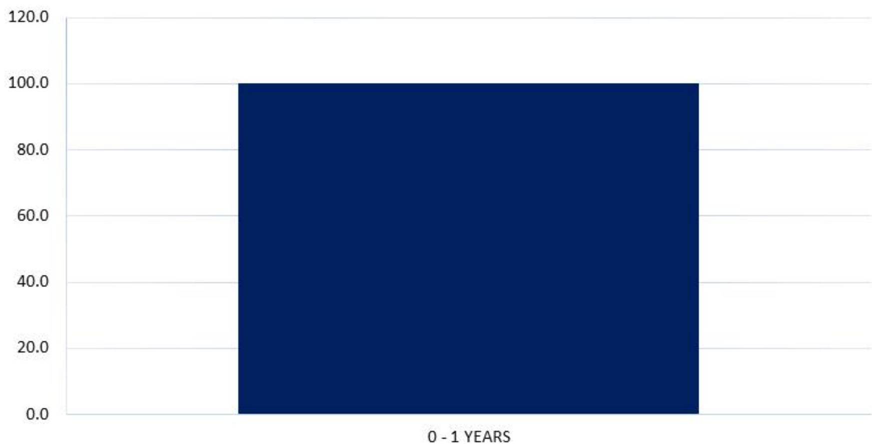
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 7 LGIP FF&C		
DAIWA CAPITAL MARKETS REPO	200,006,667	17.83
WELLS FARGO REPO	150,005,000	13.37
ALLIANCE BANK OF ARIZONA MONEY	79,307,440	7.07
TREASURY BILL	69,987,438	6.24
TREASURY BILL	69,774,530	6.22
WELLS FARGO REPO	60,506,331	5.39
FIDELITY INVESTMENTS MONEY	50,021,663	4.46
TREASURY BILL	49,862,900	4.44
WI TREASURY SEC.	40,036,310	3.57
TREASURY BILL	39,988,233	3.56

Duration Distribution



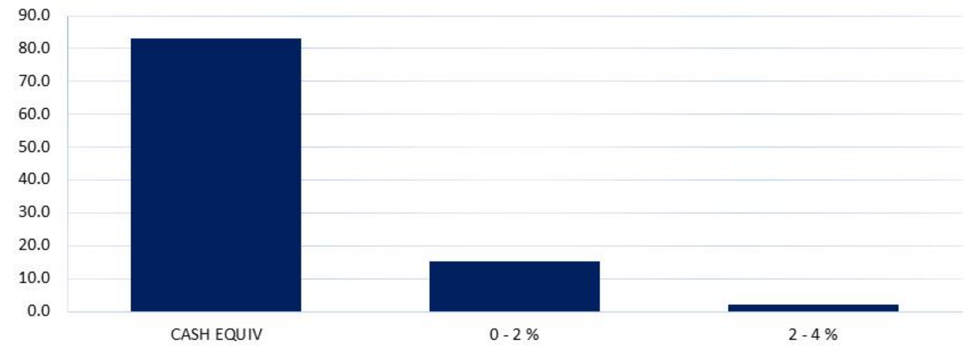
Expected Maturity Distribution



Portfolio Level Characteristics

	POOL 7 LGIP FF&C
Weighted Average Life	0.17
Coupon	0.26
Effective Duration	0.17
Quality Rating (Moody's)	AAA

Coupon Distribution



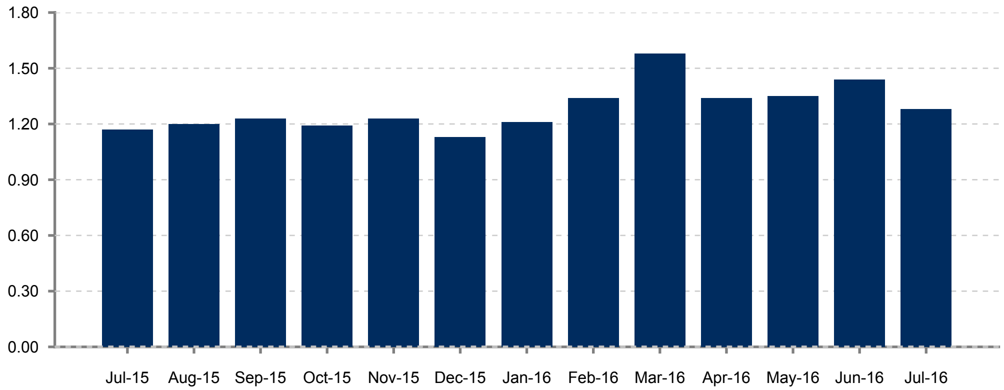
Rating Distribution

OFFICE OF THE ARIZONA STATE TREASURER

July 31, 2016

POOL 500 LGIP MED

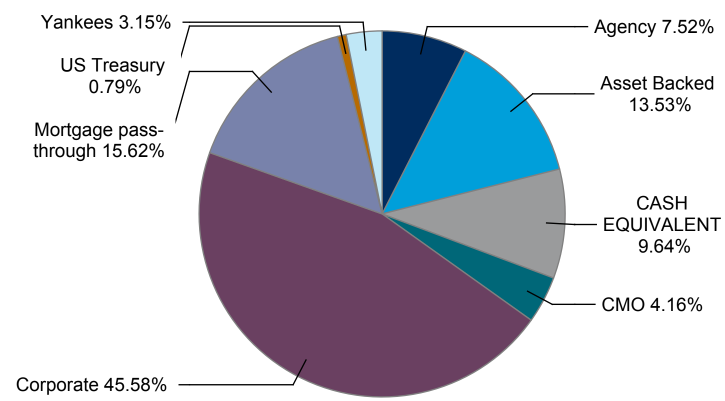
Net Yield



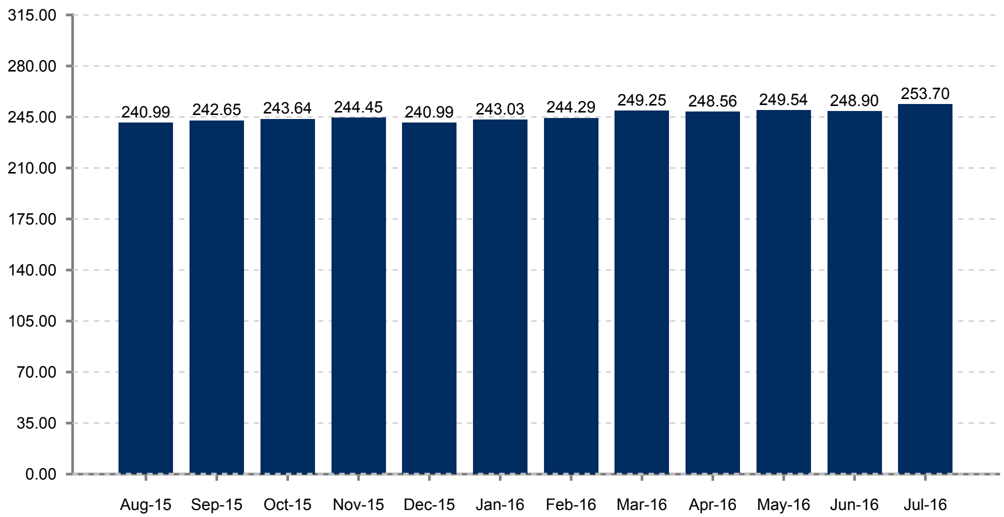
	Current Mth	Prior Mth	1 Year Ago
POOL 500 LGIP MED	1.28	1.44	1.17

Asset Allocation

	Ending Market Value
POOL 500 LGIP MED	253,699,314



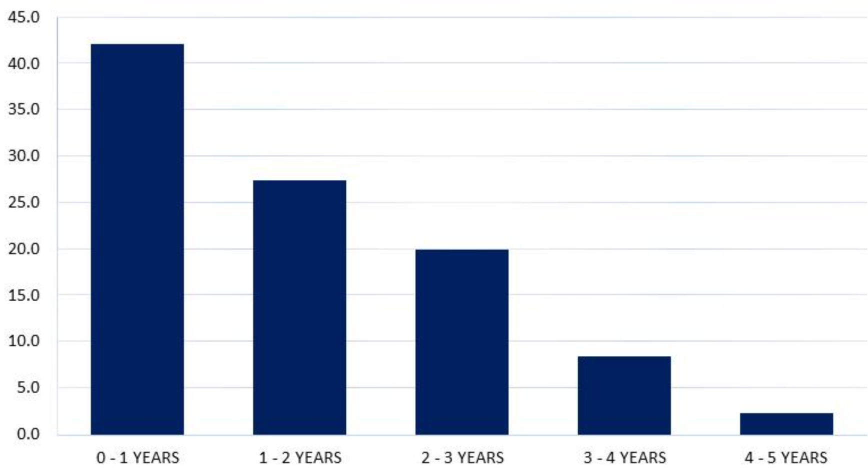
Net Asset Values over Time ($MM)



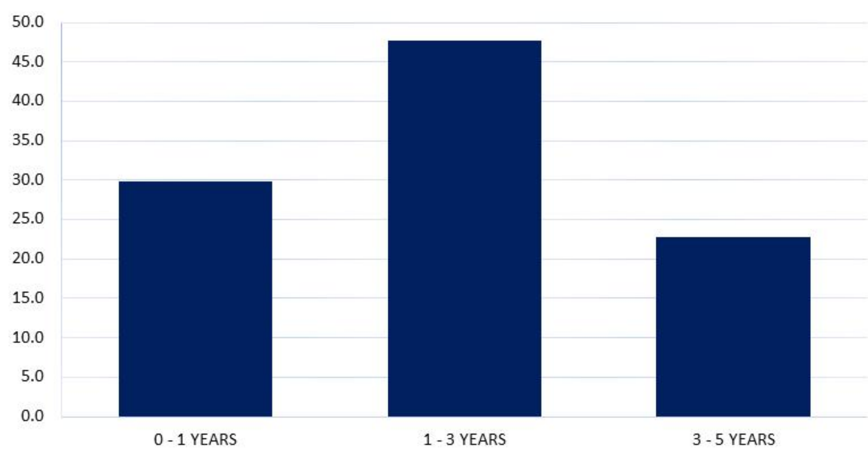
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 500 LGIP MED		
GUGGENHEIM SECURITIES REPO	22,000,917	8.67
FNMA POOL AB5991	8,488,443	3.35
MICROSOFT CORP	8,238,662	3.25
MERCK + CO INC	5,518,651	2.18
ELI LILLY + CO	5,055,730	1.99
CHEVRON CORP	5,052,935	1.99
NISSAN MOTOR ACCEPTANCE	5,045,768	1.99
FREDDIE MAC	5,029,751	1.98
FORD CREDIT FLOORPLAN MASTER O	5,012,761	1.98
TOYOTA MOTOR CREDIT CORP	4,987,614	1.97

Duration Distribution



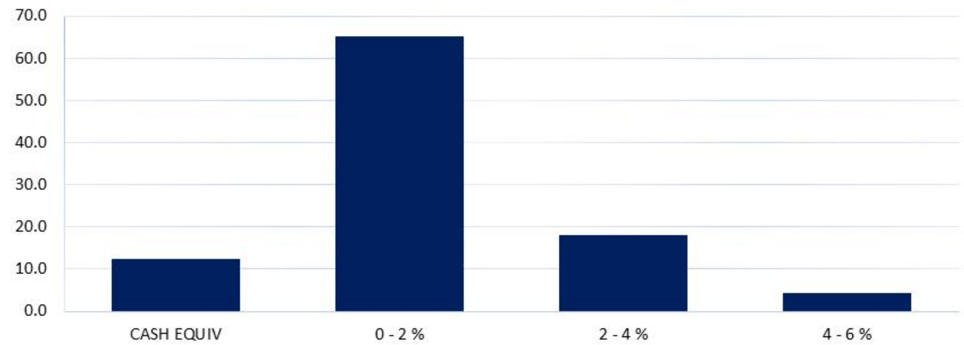
Expected Maturity Distribution



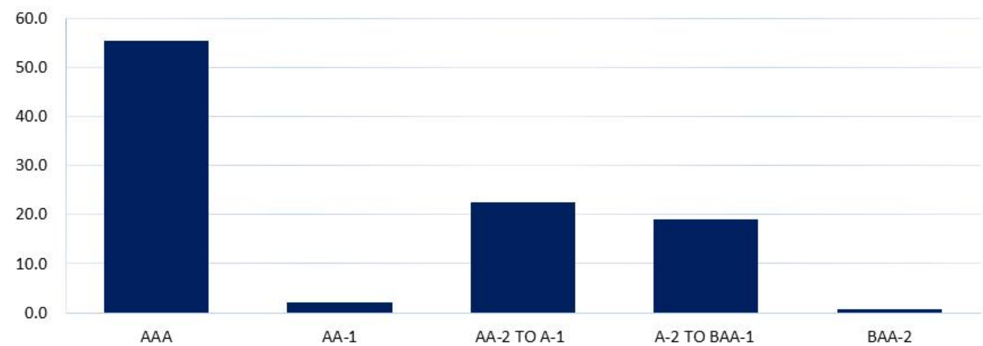
Portfolio Level Characteristics

	POOL 500 LGIP MED
Weighted Average Life	1.96
Coupon	1.81
Effective Duration	1.39
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



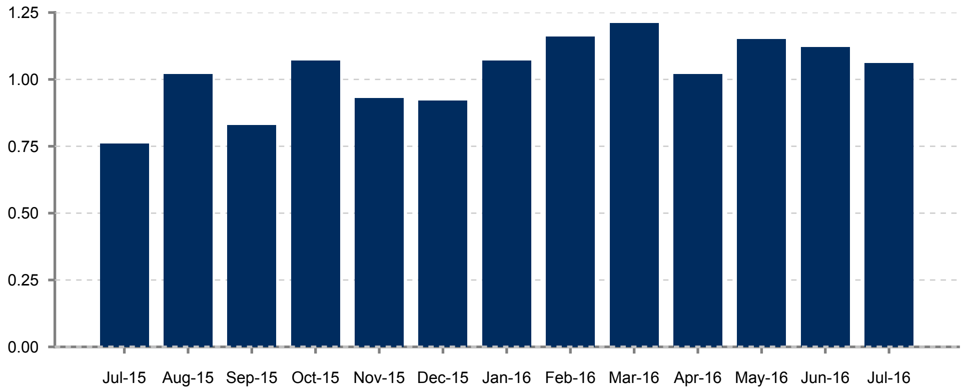
OFFICE OF THE ARIZONA STATE TREASURER

July 31, 2016

POOL 700 LGIP MD FF&C

STATE STREET.

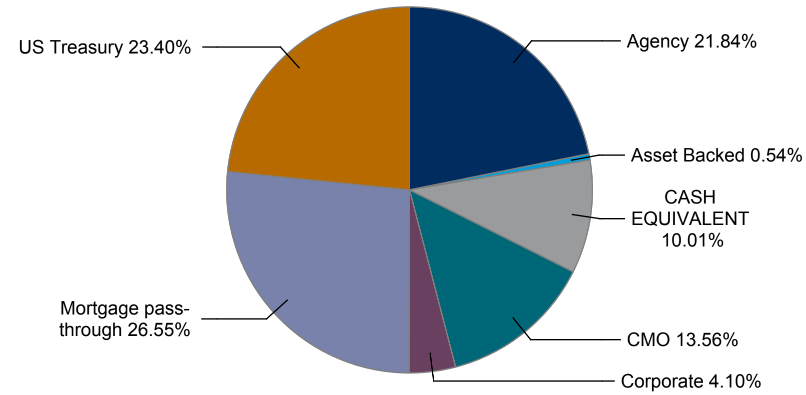
Net Yield



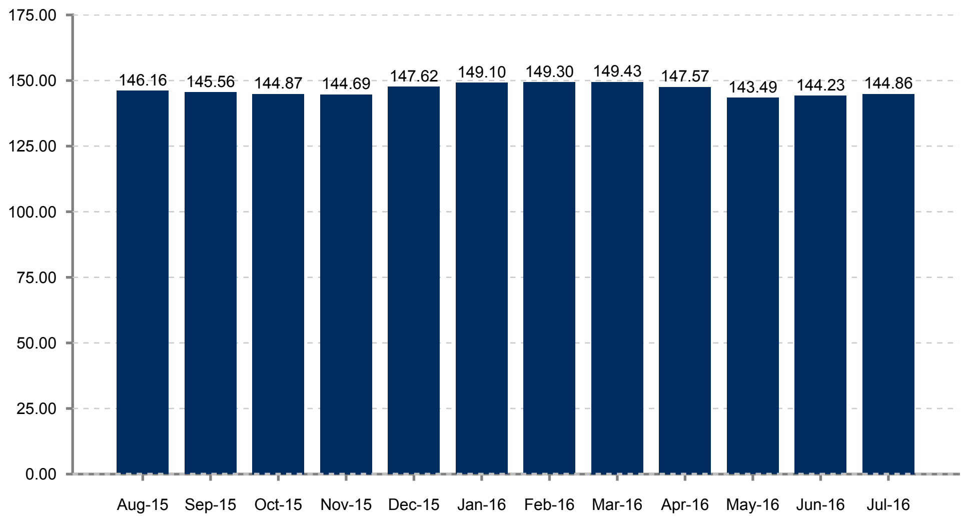
	Current Mth	Prior Mth	1 Year Ago
POOL 700 LGIP MD FF&C	1.06	1.12	0.76

Asset Allocation

	Ending Market Value
POOL 700 LGIP MD FF&C	144,859,984



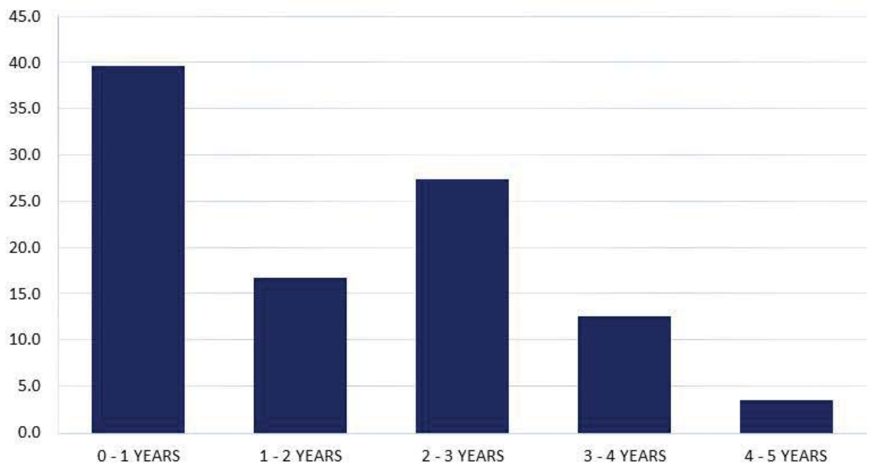
Net Asset Values over Time ($MM)



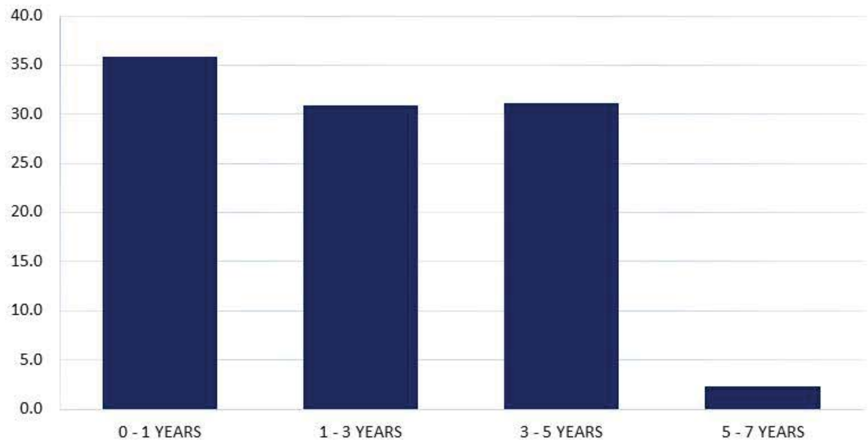
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 700 LGIP MD FF&C		
GUGGENHEIM SECURITIES REPO	13,000,542	8.97
OVERSEAS PRIVATE INV COR	5,217,968	3.60
US TREASURY N/B	5,072,893	3.50
US TREASURY N/B	5,016,897	3.46
US TREASURY N/B	5,005,088	3.46
AID ISRAEL	4,994,260	3.45
GNMA II POOL MA0213	4,857,740	3.35
OVERSEAS PRIVATE INV COR	4,493,700	3.10
PRIVATE EXPORT FUNDING	3,602,370	2.49
GNMA POOL 775134	3,000,502	2.07

Duration Distribution



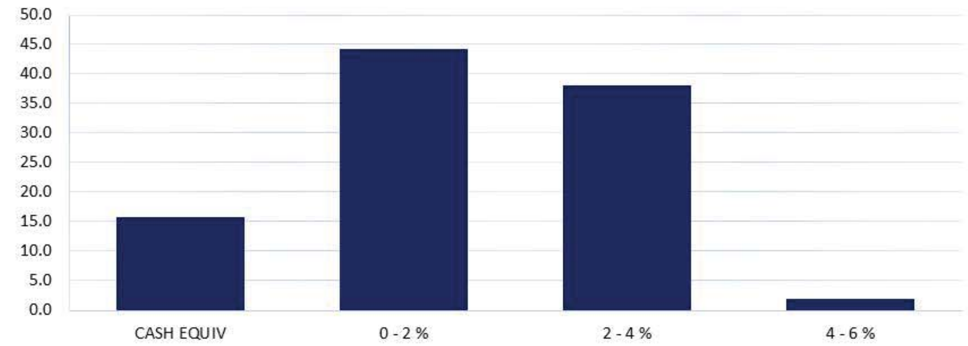
Expected Maturity Distribution



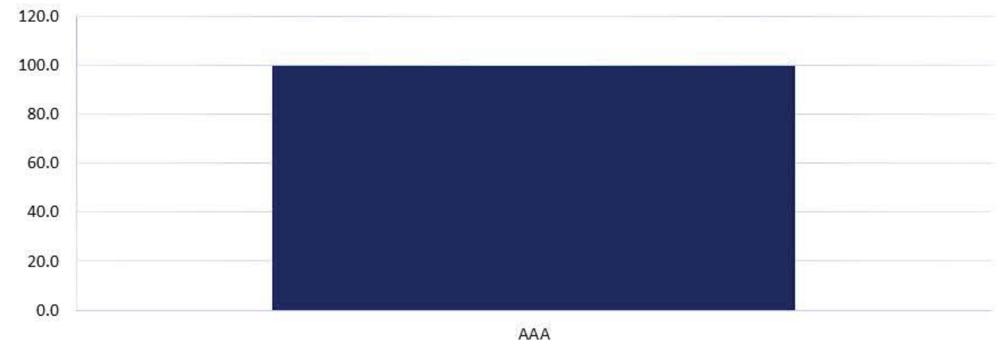
Portfolio Level Characteristics

	POOL 700 LGIP MD FF&C
Weighted Average Life	2.09
Coupon	1.74
Effective Duration	1.63
Quality Rating (Moody's)	AAA

Coupon Distribution



Rating Distribution



EARNINGS DISTRIBUTED
ENDOWMENT FUNDS
JULY 2016

Recipient		Distributed in Current Month JULY 2016	Fiscal YTD 16/17	Fiscal YTD 15/16
101	A & M Colleges	$62,695	$62,695	$20,991
102	State Hospital	$39,692	$39,692	$13,015
103	Leg., Exec., & Jud.	$51,413	$51,413	$17,116
104	Military Institute	$3,456	$3,456	$1,166
105	Miners Hospital	$126,965	$126,965	$39,311
107	Normal School ASU/NAU	$23,855	$23,855	$7,749
108	Penitentiaries	$85,542	$85,542	$27,365
109	Permanent Common School	$22,463,210	$22,463,210	$7,265,434
110	School for Deaf & Blind	$33,142	$33,142	$10,929
111	School of Mines	$70,914	$70,914	$23,731
112	State Charitable-Pioneers Home	$346,473	$346,473	$115,161
112	State Charitable-Corrections	$173,236	$173,236	$57,581
112	State Charitable-Youth Treatment	$173,236	$173,236	$57,581
113	University Fund	$122,961	$122,961	$40,307
114	U of A Land - 1881	$384,475	$384,475	$116,795
	Total	**$24,161,266**	**$24,161,266**	**$7,814,230**

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		
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		
Calander Year	45,976,416.07	226,588,169.95	179,079,671.89	142,180,034.17	82,117,359.57	90,742,484.22	-
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	2,469,997.05

NET REALIZED CAPITAL GAINS / LOSSES - ENDOWMENT FUNDS

Endowment Fund	Jul-16 NET GAIN(LOSS)	Jul-15 NET GAIN(LOSS)
Fixed Income Pool	(444,346)	403,779
500 Large-Cap Fund	460,583	2,819,344
400 Mid-Cap Fund	0	3,361,366
600 Small-Cap Fund	74,362	8,729,237
Totals	**90,600**	**15,313,725**

Endowment Fund	2016/2017 FISCAL YEAR TO DATE GAINS(LOSSES)	2015/2016 FISCAL YEAR TO DATE GAINS(LOSSES)
Fixed Income Pool	(444,346)	403,779
500 Large-Cap Fund	460,583	2,819,344
400 Mid-Cap Fund	0	3,361,366
600 Small-Cap Fund	74,362	8,729,237
Totals	**90,600**	**15,313,725**

ENDOWMENT FUNDS FIXED-INCOME POOLS
PURCHASES & SALES
JULY 2016

I. Endowment Funds Purchases

POOL	SECURITY DESCRIPTION	RATE	MATURITY	*WAL YEARS	PAR VALUE	PURCHASE COST	YIELD	MOODY'S / S&P RATING
205	US TREASURY	6.50	11/15/2026	NA	$5,000,000	$7,474,474	1.44%	Aaa/AA+
205	US TREASURY	6.88	8/15/2025	NA	$5,000,000	$7,525,670	1.29%	Aaa/AA+
205	US TREASURY	6.13	11/15/2027	NA	$5,000,000	$7,374,745	1.62%	Aaa/AA+
123	ANGLESEA FDG	0.60	9/30/2016	NA	$10,000,000	$9,986,500	0.60%	P-1/A-1
123	KELLS FDG	0.75	10/31/2016	NA	$10,000,000	$9,975,833	0.75%	P-1/A-1+
123	SHEFFIELD RCVBLE	0.56	7/29/2016	NA	$25,000,000	$24,989,111	0.56%	P-1/NR
123	VICTORY RCVBLE	0.56	8/30/2016	NA	$10,000,000	$9,992,222	0.56%	A-1/P-1
	TOTAL ENDOWMENT FUNDS PURCHASES				**$70,000,000**	**$77,318,555**		

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
JULY 2016

I. Equity Fund Purchases

	SHARES	PURCHASE COST	COMMISSIONS
400 Mid-Cap Fund	79,111	$10,736,563	$442
500 Large-Cap Fund	46,296	$4,645,382	$347
600 Small-Cap Fund	93,238	$5,857,195	$699
TOTAL EQUITY PURCHASES	**218,645**	**$21,239,140**	**$1,488**

II. Equity Funds Sales

	SHARES	SALES AMOUNT	COMMISSIONS
400 Mid-Cap Fund	0	$0	$0
500 Large-Cap Fund	6,681	$1,330,412	$50
600 Small-Cap Fund	20,200	$995,052	$0
TOTAL EQUITY SALES	**26,881**	**$2,325,464**	**$50**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
JULY 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	439	3,089	7,737	4,648	
	Shares in Fixed Income Pools	4,421	3,165	4,940	1,775	
	Total	4,860	6,254	12,677	6,423	**2.027**
102	State Hospital					
	Shares in Equity Pools	296	2,170	5,213	3,043	
	Shares in Fixed Income Pools	3,055	2,375	3,413	1,038	
	Total	3,350	4,545	8,626	4,082	**1.898**
103	Leg., Exec, & Jud					
	Shares in Equity Pools	354	2,660	6,233	3,573	
	Shares in Fixed Income Pools	3,783	2,706	4,227	1,521	
	Total	4,137	5,365	10,460	5,095	**1.950**
104	Military Institute					
	Shares in Equity Pools	23	167	405	237	
	Shares in Fixed Income Pools	251	171	281	110	
	Total	274	338	685	347	**2.027**
105	Miners Hospital					
	Shares in Equity Pools	1,024	9,072	18,043	8,971	
	Shares in Fixed Income Pools	10,350	9,012	11,564	2,552	
	Total	11,374	18,084	29,608	11,523	**1.637**
107	Normal School ASU/NAU					
	Shares in Equity Pools	184	1,474	3,241	1,767	
	Shares in Fixed Income Pools	1,901	1,475	2,124	649	
	Total	2,085	2,949	5,364	2,416	**1.819**
108	Penitentiaries					
	Shares in Equity Pools	693	5,873	12,208	6,335	
	Shares in Fixed Income Pools	7,115	5,859	7,950	2,090	
	Total	7,808	11,732	20,158	8,426	**1.718**

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
JULY 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	169,724	1,357,826	2,990,056	1,632,230	
	Shares in Fixed Income Pools	1,716,105	1,395,428	1,917,512	522,084	
	Total	1,885,829	2,753,254	4,907,568	2,154,314	**1.782**
110	School for Deaf & Blind					
	Shares in Equity Pools	234	1,762	4,119	2,358	
	Shares in Fixed Income Pools	2,633	1,991	2,942	950	
	Total	2,866	3,753	7,061	3,308	**1.882**
111	School of Mines					
	Shares in Equity Pools	493	3,698	8,693	4,995	
	Shares in Fixed Income Pools	5,092	3,778	5,689	1,911	
	Total	5,585	7,477	14,383	6,906	**1.924**
112	State Charitable					
	Shares in Equity Pools	4,989	37,584	87,892	50,308	
	Shares in Fixed Income Pools	48,881	38,775	54,618	15,842	
	Total	53,870	76,359	142,510	66,150	**1.866**
113	University Fund					
	Shares in Equity Pools	899	7,121	15,837	8,715	
	Shares in Fixed Income Pools	9,289	7,080	10,379	3,299	
	Total	10,188	14,202	26,216	12,014	**1.846**
114	U Of A Land - 1881					
	Shares in Equity Pools	3,120	28,760	54,965	26,205	
	Shares in Fixed Income Pools	31,987	27,127	35,742	8,615	
	Total	35,107	55,887	90,707	34,820	**1.623**
	TOTALS - ALL FUNDS					
	Shares in Equity Pools	182,472	1,461,256	3,214,642	1,753,386	
	Shares in Fixed Income Pools	1,844,862	1,498,943	2,061,380	562,437	
	Grand Total	**2,027,334**	**2,960,199**	**5,276,022**	**2,315,823**	
	PRIOR YEAR: JULY 2015 BALANCES	**1,975,127**	**2,993,460**	**5,213,435**	**2,219,975**	

ENDOWMENT FUNDS
INVESTMENTS OUTSTANDING
JULY 31, 2016

ASSET ALLOCATION PERCENTAGE

	SHARES OUTSTANDING	**BOOK VALUE**	MARKET VALUE	JULY 2015 MARKET VALUE
Shares in Equity Pools	9.00%	**49.36%**	60.93%	63.52%
Shares in Fixed Income Pools	91.00%	**50.64%**	39.07%	36.48%
Total	100.00%	**100.00%**	100.00%	100.00%

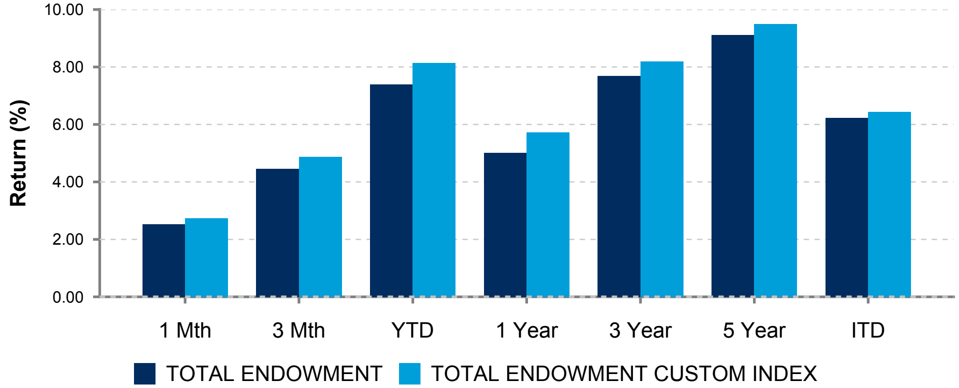
OFFICE OF THE ARIZONA STATE TREASURER

July 31, 2016

Total Endowment Summary

STATE STREET.

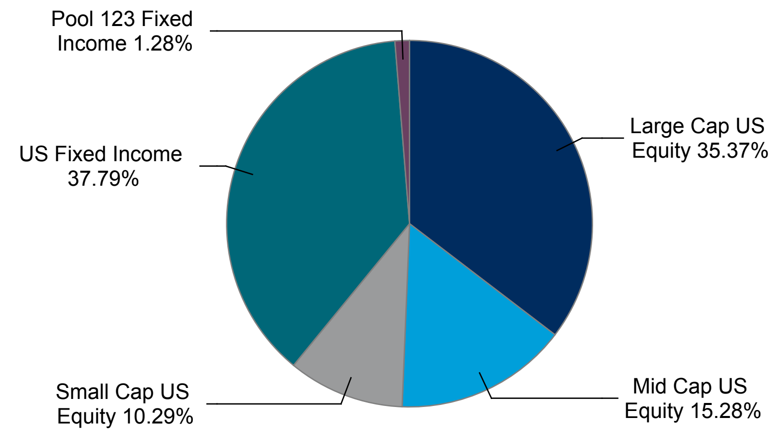
Performance



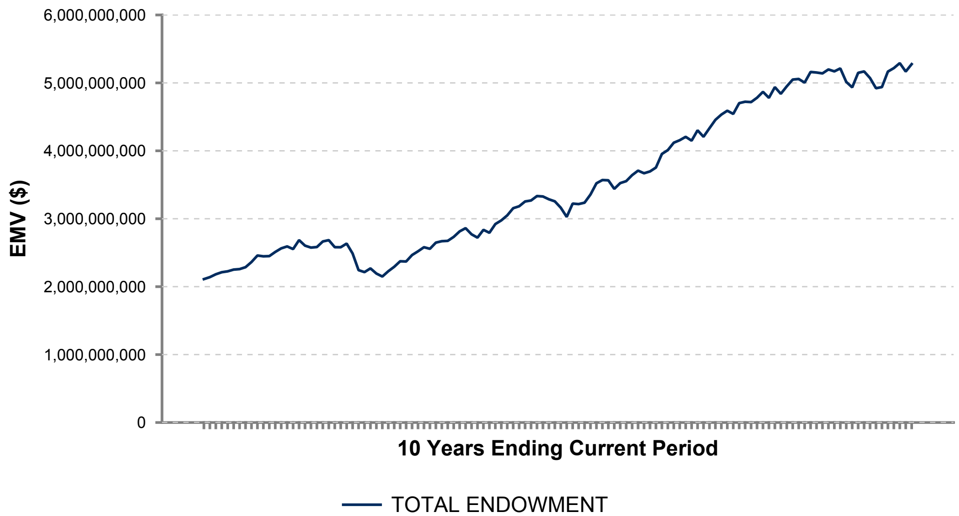
	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Incept Date
TOTAL ENDOWMENT	2.53	4.46	7.39	5.02	7.69	9.11	6.23	07/99
TOTAL ENDOWMENT CUSTOM INDEX	2.73	4.88	8.14	5.73	8.20	9.49	6.44	07/99
Excess	-0.20	-0.42	-0.75	-0.70	-0.51	-0.38	-0.21	

Asset Allocation

	Ending Market Value
TOTAL ENDOWMENT	5,276,021,918

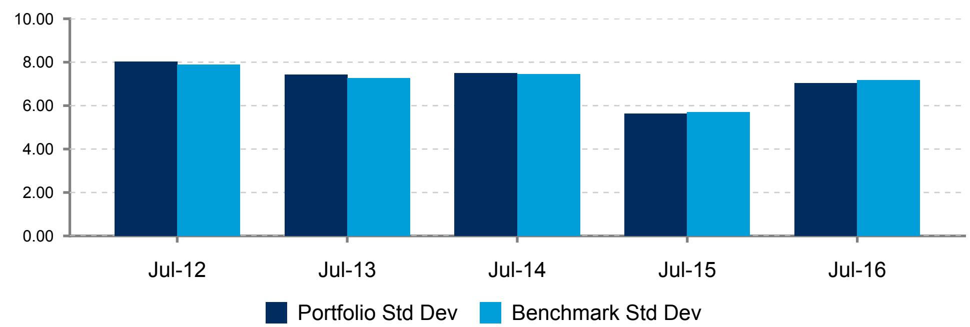


Ending Market Value



3 Year Risk Statistics

	Return	Portfolio Std Dev	Benchmark Std Dev	Sharpe Ratio	Beta	Tracking Error	Information Ratio
TOTAL ENDOWMENT	7.69	7.03	7.18	1.08	0.98	0.32	-1.58



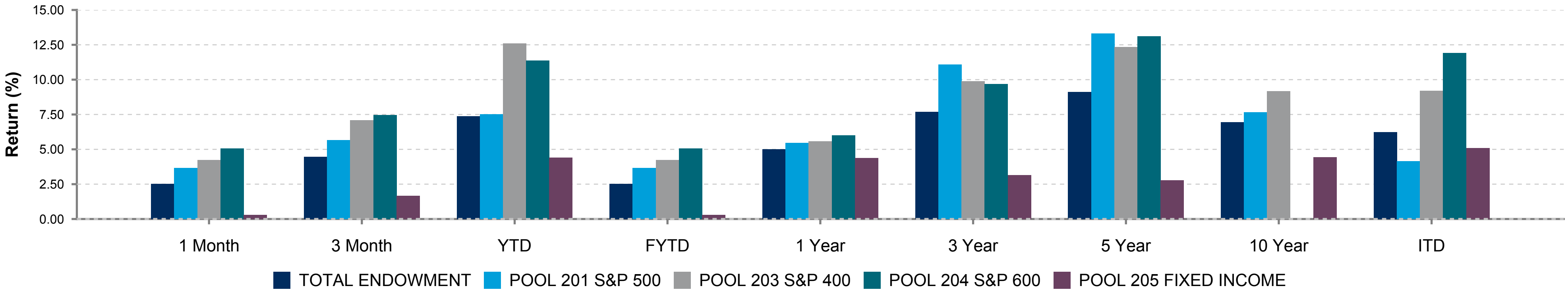
OFFICE OF THE ARIZONA STATE TREASURER

July 31, 2016

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	5,276,021,918	100.00	2.53	4.46	7.39	2.53	5.02	7.69	9.11	6.96	6.23	Jul-01-99
TOTAL ENDOWMENT CUSTOM INDEX			2.73	4.88	8.14	2.73	5.73	8.20	9.49	7.33	6.44	Jul-01-99
Excess			-0.20	-0.42	-0.75	-0.20	-0.70	-0.51	-0.38	-0.38	-0.21	
POOL 201 S&P 500	1,866,013,019	35.37	3.68	5.68	7.53	3.68	5.46	11.08	13.32	7.67	4.16	Jul-01-99
S&P 500 INDEX (DAILY)			3.69	5.82	7.66	3.69	5.61	11.16	13.38	7.75	4.70	Jul-01-99
Excess			-0.01	-0.14	-0.13	-0.01	-0.16	-0.08	-0.06	-0.08	-0.54	
POOL 203 S&P 400	805,951,947	15.28	4.24	7.08	12.59	4.24	5.59	9.90	12.34	9.17	9.21	Aug-01-01
S&P 400 MIDCAP INDEX (DAILY)			4.29	7.14	12.56	4.29	5.53	9.86	12.28	9.33	9.22	Aug-01-01
Excess			-0.05	-0.06	0.03	-0.05	0.05	0.03	0.06	-0.15	-0.01	
POOL 204 S&P 600	542,677,330	10.29	5.06	7.46	11.37	5.06	6.00	9.68	13.11		11.92	Mar-01-11
S&P SM 600 TR			5.09	7.48	11.63	5.09	5.96	9.62	13.05		11.89	Mar-01-11
Excess			-0.03	-0.02	-0.26	-0.03	0.04	0.06	0.07		0.03	
POOL 205 FIXED INCOME	1,993,830,959	37.79	0.29	1.66	4.41	0.29	4.38	3.16	2.79	4.43	5.10	Jul-01-99
CITIGROUP BIG (DAILY)			0.64	2.45	6.03	0.64	5.97	4.22	3.58	5.15	5.48	Jul-01-99
Excess			-0.35	-0.80	-1.63	-0.35	-1.59	-1.06	-0.79	-0.71	-0.38	
POOL 123 FIXED INCOME	67,548,663	1.28	0.03			0.03					0.05	Jun-01-16
ASTO - POOL 5 BENCHMARK			0.04			0.04					0.07	Jun-01-16
Excess			-0.01			-0.01					-0.02	

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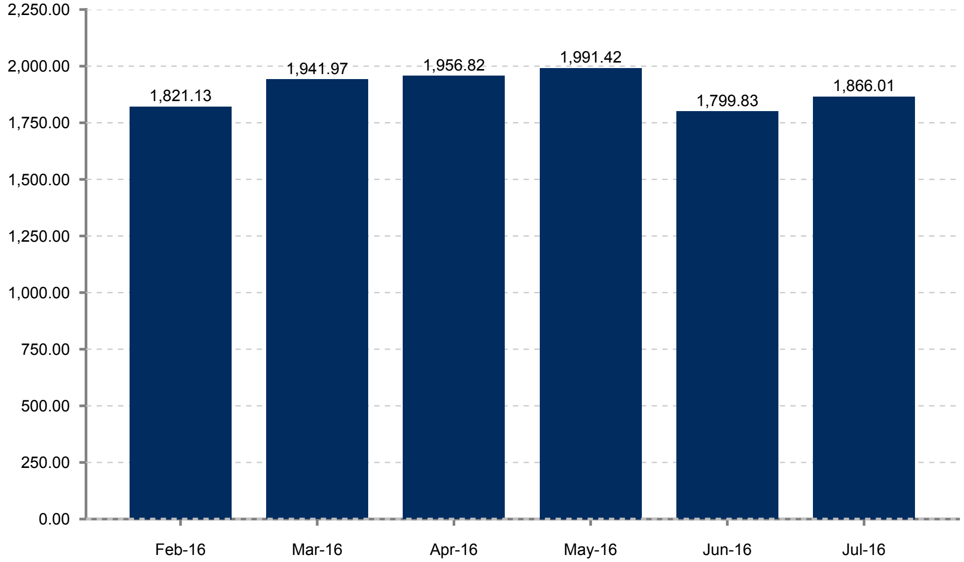
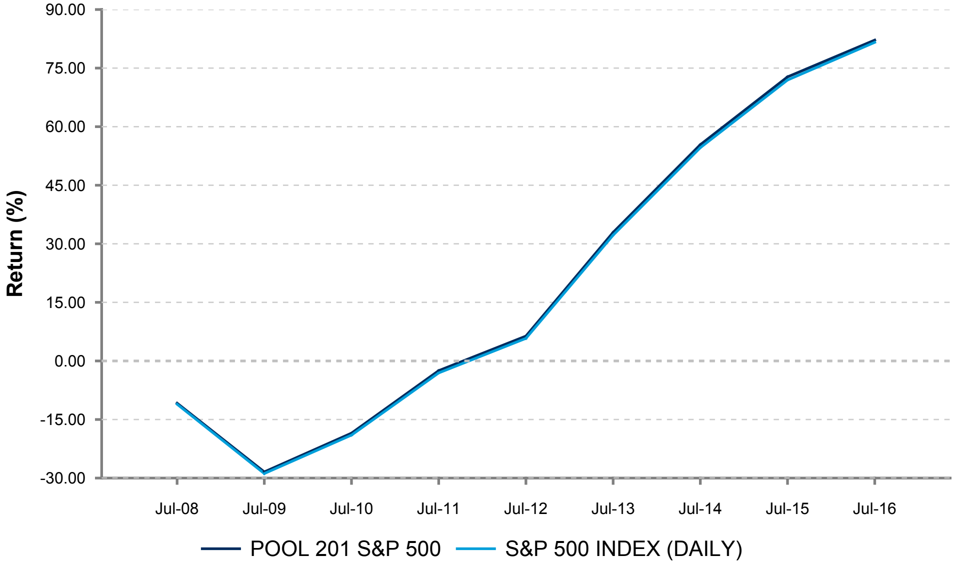
POOL 201 S&P 500

STATE STREET.

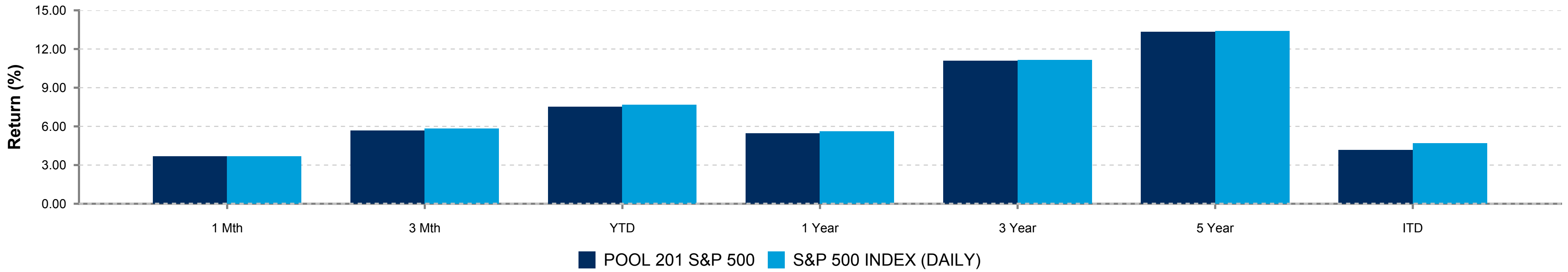
Net Asset Values over Time ($MM)



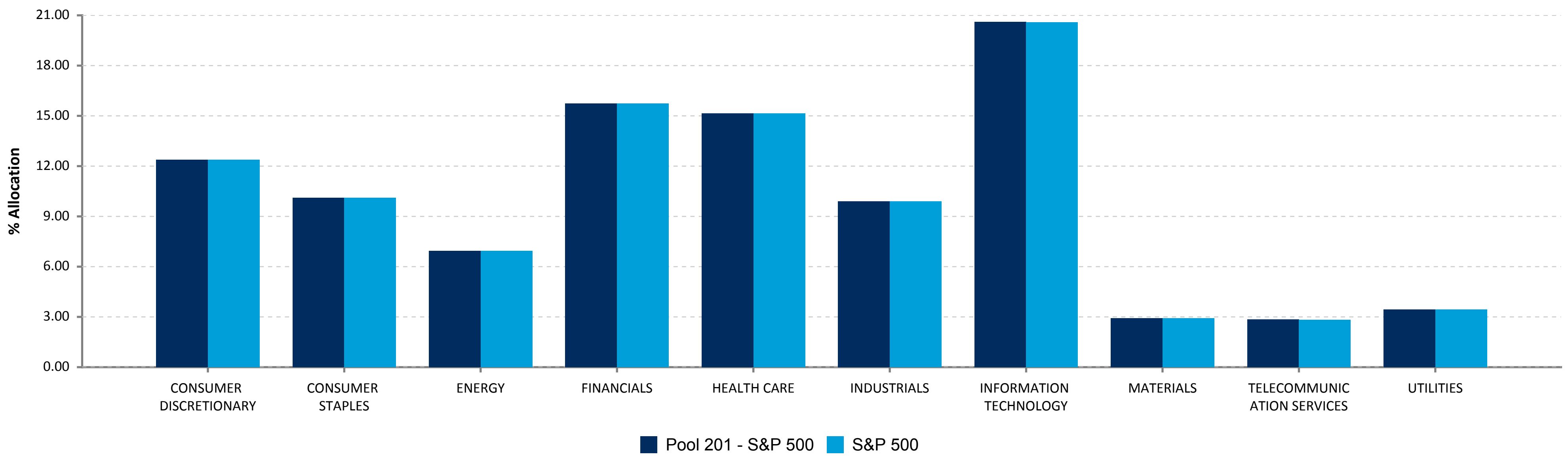
Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Jul 31 2016	Jul 31 2015	Jul 31 2014
POOL 201 S&P 500	3.68	5.68	7.53	5.46	11.08	13.32	4.16	5.46	11.17	16.91
S&P 500 INDEX (DAILY)	3.69	5.82	7.66	5.61	11.16	13.38	4.70	5.61	11.21	16.94
Excess	-0.01	-0.14	-0.13	-0.16	-0.08	-0.06	-0.54	-0.16	-0.04	-0.03



	Fund Weight	Benchmark Weight	Relative Weight
POOL 201 S&P 500	100.00	100.00	0.00
CONSUMER DISCRETIONARY	12.27	12.28	-0.00
CONSUMER STAPLES	10.59	10.56	0.02
ENERGY	7.40	7.40	-0.00
FINANCIALS	15.75	15.75	0.00
HEALTH CARE	15.03	15.03	0.00
INDUSTRIALS	9.86	9.85	0.01
INFORMATION TECHNOLOGY	19.81	19.77	0.04
MATERIALS	2.83	2.82	0.01
TELECOMMUNICATION SERVICES	2.91	2.91	-0.00
UTILITIES	3.55	3.63	-0.07

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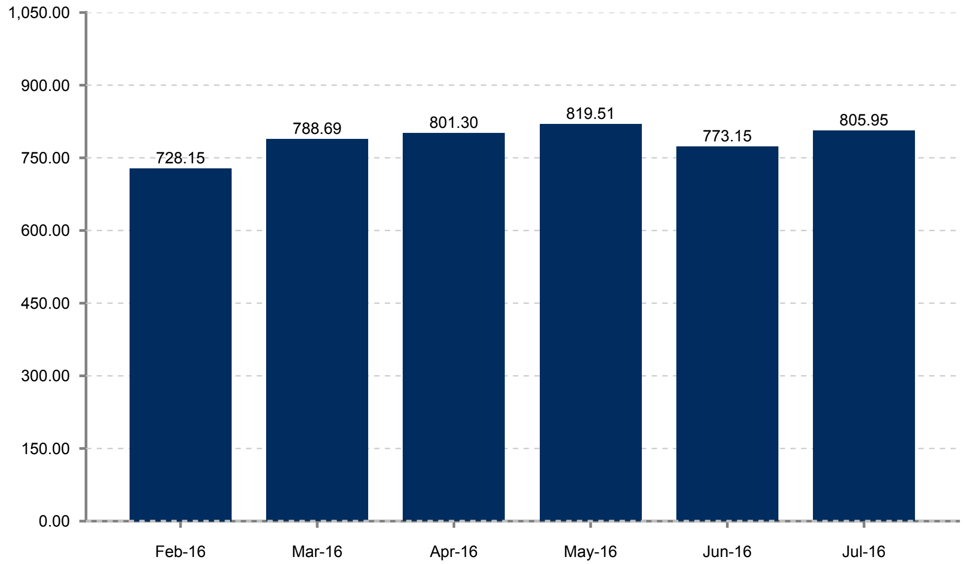
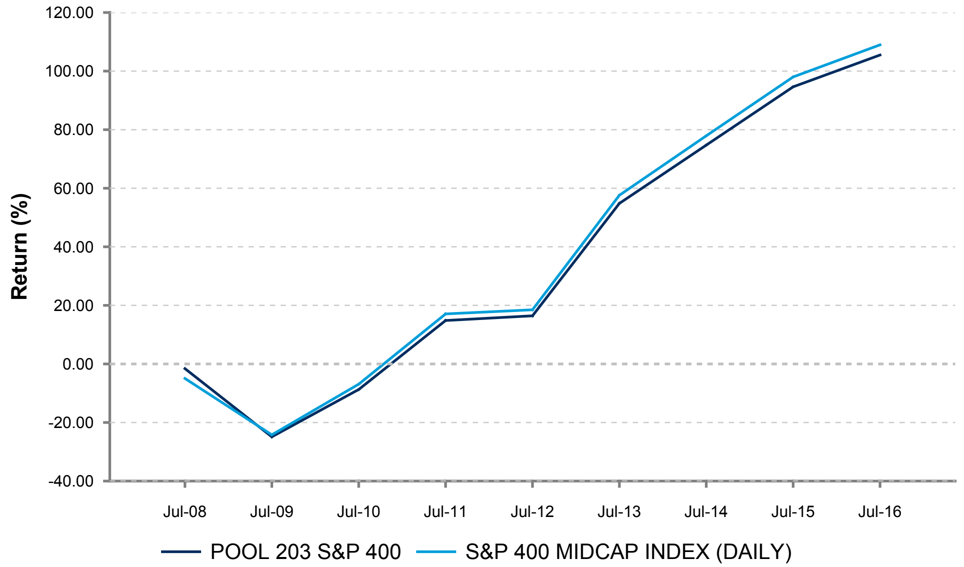
POOL 203 S&P 400

STATE STREET.

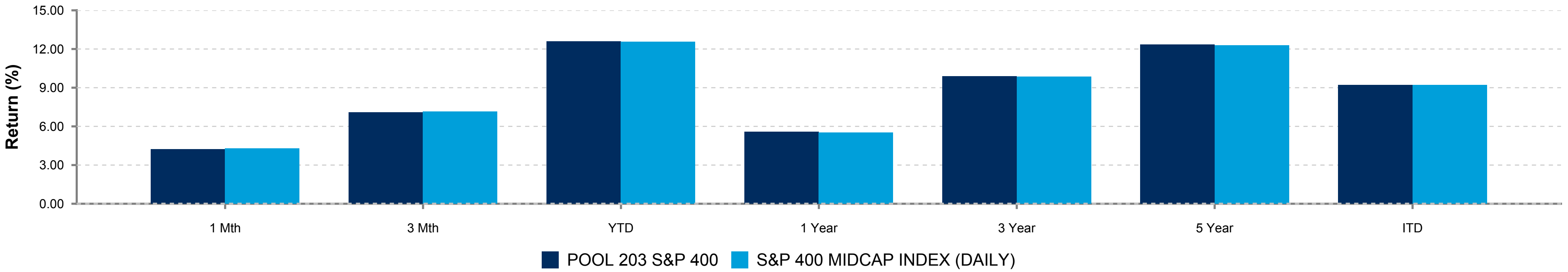
Net Asset Values over Time ($MM)



Cumulative Return (%)



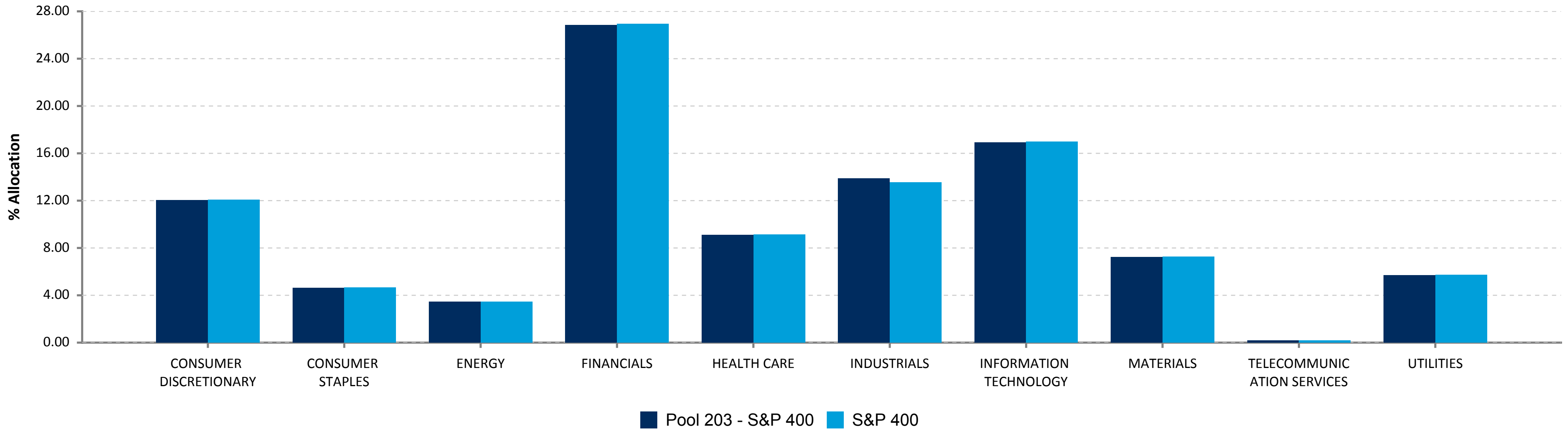
Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Jul 31 2016	Jul 31 2015	Jul 31 2014
POOL 203 S&P 400	4.24	7.08	12.59	5.59	9.90	12.34	9.21	5.59	11.39	12.85
S&P 400 MIDCAP INDEX (DAILY)	4.29	7.14	12.56	5.53	9.86	12.28	9.22	5.53	11.30	12.89
Excess	-0.05	-0.06	0.03	0.05	0.03	0.06	-0.01	0.05	0.09	-0.04

July 31, 2016

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	11.83	11.75	0.08
CONSUMER STAPLES	4.66	4.62	0.03
ENERGY	3.69	3.66	0.03
FINANCIALS	27.14	26.87	0.27
HEALTH CARE	9.06	9.00	0.06
INDUSTRIALS	13.64	13.15	0.49
INFORMATION TECHNOLOGY	16.81	16.70	0.12
MATERIALS	7.15	7.69	-0.54
TELECOMMUNICATION SERVICES	0.19	0.19	0.00
UTILITIES	5.83	6.36	-0.53

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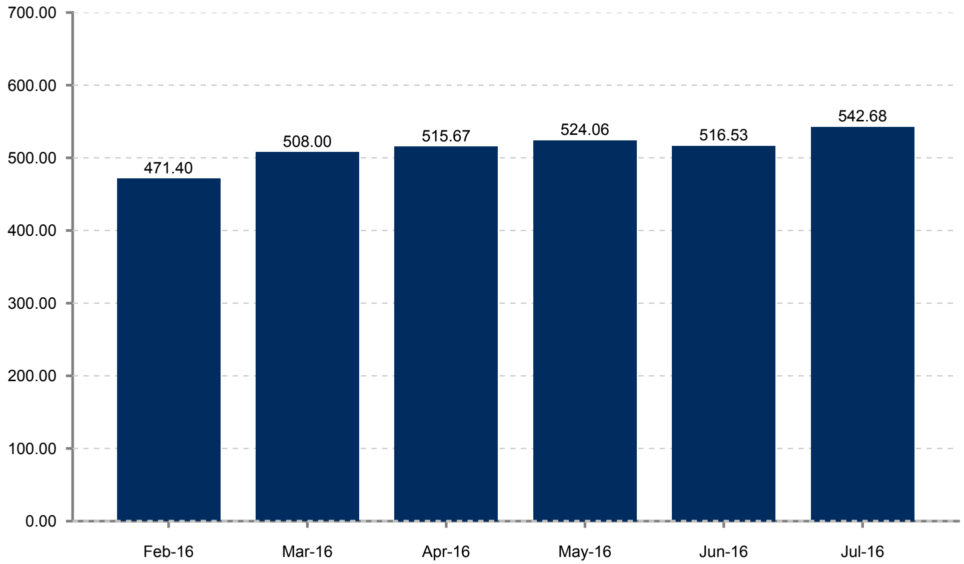
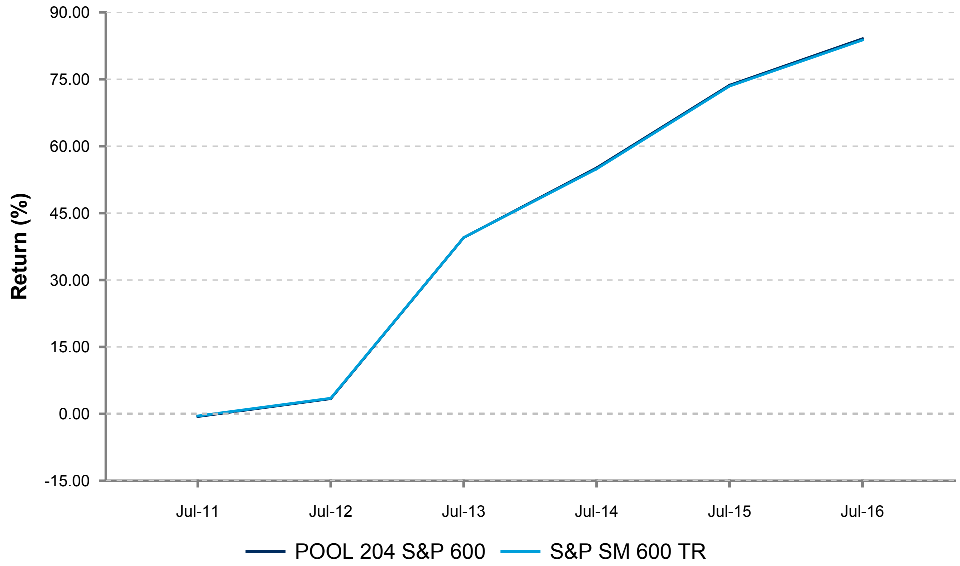
POOL 204 S&P 600

STATE STREET.

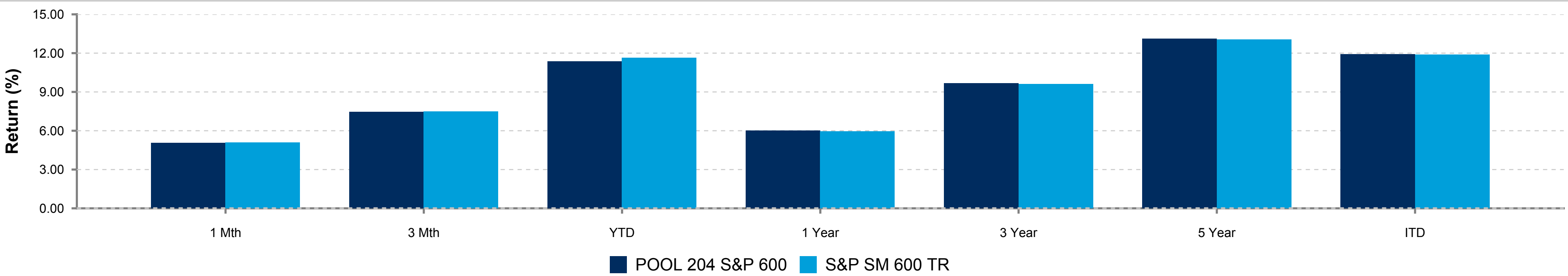
Net Asset Values over Time ($MM)



Cumulative Return (%)



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Jul 31 2016	Jul 31 2015	Jul 31 2014
POOL 204 S&P 600	5.06	7.46	11.37	6.00	9.68	13.11	11.92	6.00	11.94	11.21
S&P SM 600 TR	5.09	7.48	11.63	5.96	9.62	13.05	11.89	5.96	11.97	11.04
Excess	-0.03	-0.02	-0.26	0.04	0.06	0.07	0.03	0.04	-0.03	0.18

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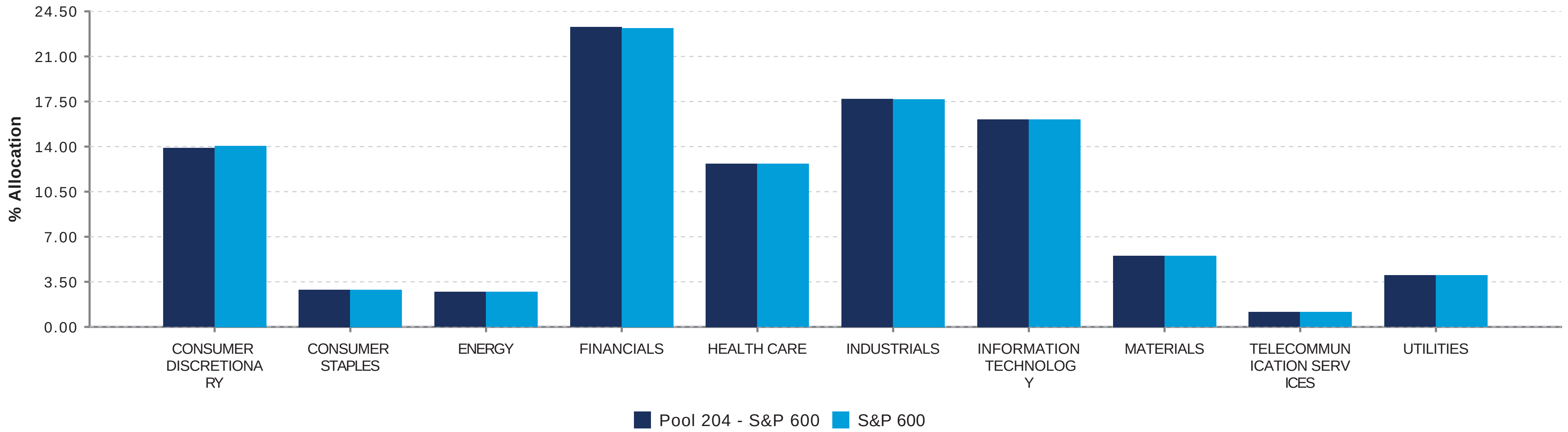
POOL 204 S&P 600
Sector Allocation vs S&P SMALLCAP 600



	Weight Fund	Weight Benchmark	Weight Relative
POOL 204 S&P 600	100.00	100.00	0.00
CONSUMER DISCRETIONARY	13.93	13.81	0.12
CONSUMER STAPLES	2.95	2.91	0.04
ENERGY	2.95	2.92	0.03
FINANCIALS	23.35	23.04	0.32
HEALTH CARE	12.79	12.68	0.11
INDUSTRIALS	17.60	17.90	-0.30
INFORMATION TECHNOLOGY	15.72	15.57	0.15
MATERIALS	5.33	5.27	0.05
TELECOMMUNICATION SERVICES	1.10	1.07	0.03
UTILITIES	4.28	4.82	-0.55

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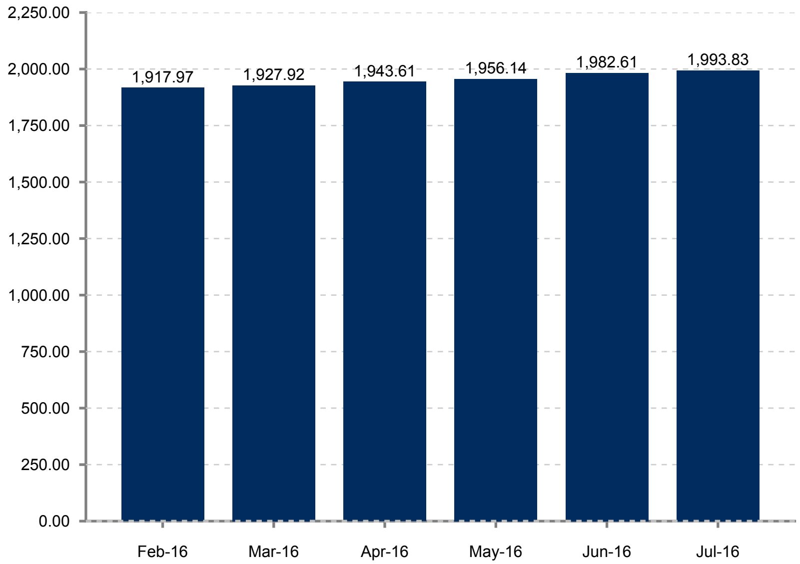
July 31, 2016

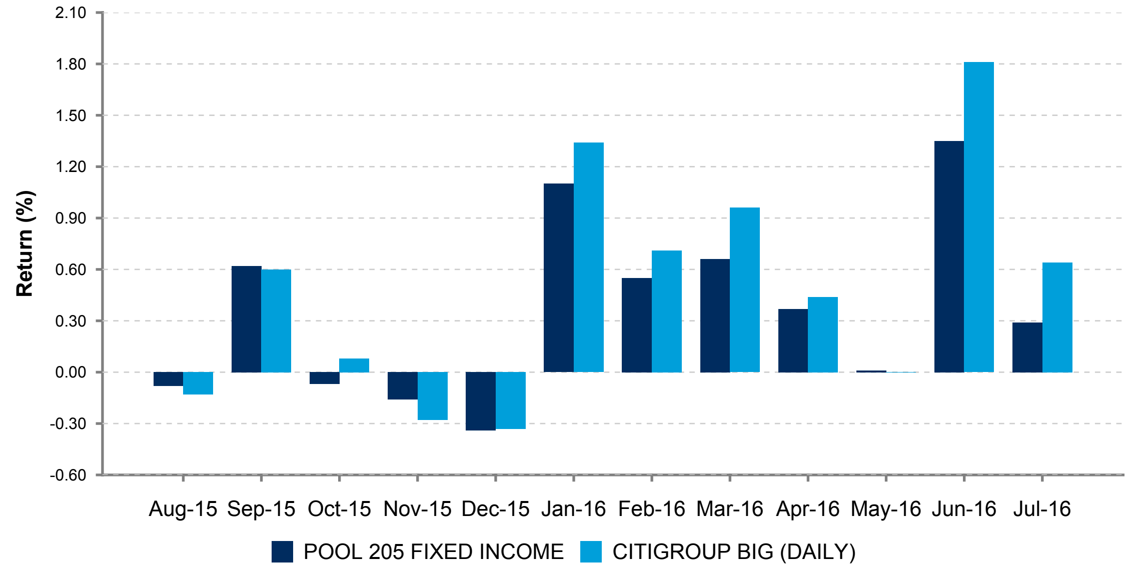
POOL 205 FIXED INCOME

STATE STREET.

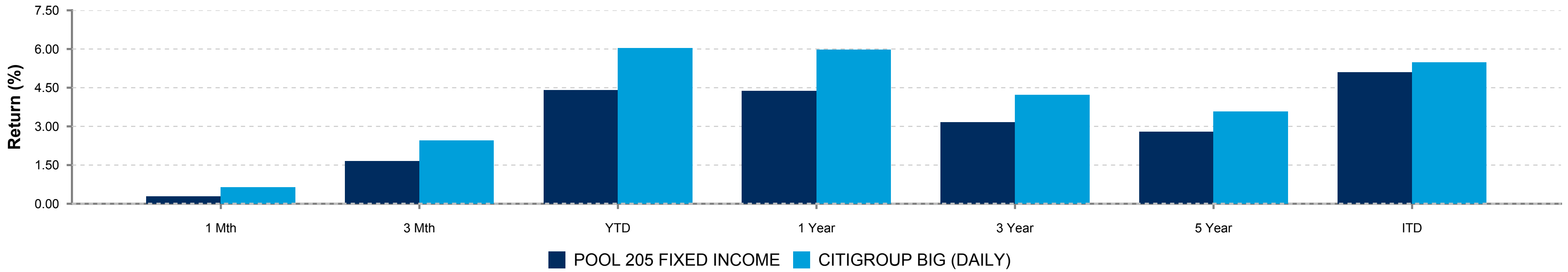
Net Asset Values over Time ($MM)



Monthly Returns



Rates of Return



	1 Mth	3 Mth	YTD	1 Year	3 Year	5 Year	ITD	Jul 31 2016	Jul 31 2015	Jul 31 2014
POOL 205 FIXED INCOME	0.29	1.66	4.41	4.38	3.16	2.79	5.10	4.38	2.43	2.70
CITIGROUP BIG (DAILY)	0.64	2.45	6.03	5.97	4.22	3.58	5.48	5.97	2.79	3.94
Excess	-0.35	-0.80	-1.63	-1.59	-1.06	-0.79	-0.38	-1.59	-0.36	-1.24

OFFICE OF THE ARIZONA STATE TREASURER

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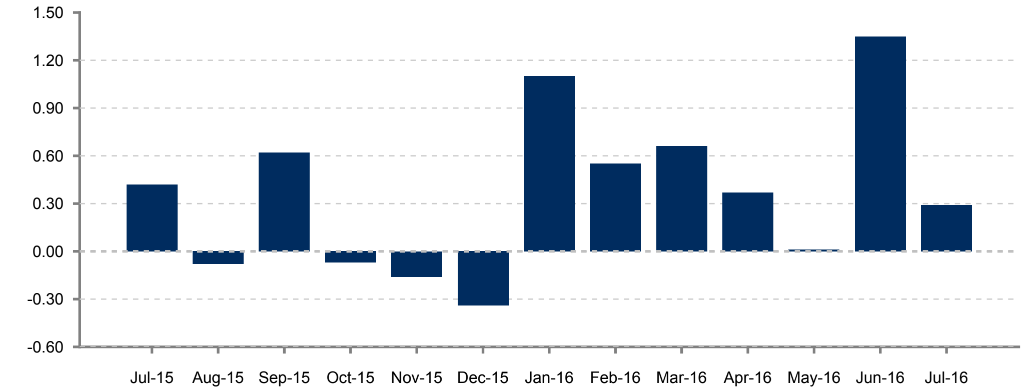
POOL 205 FIXED INCOME

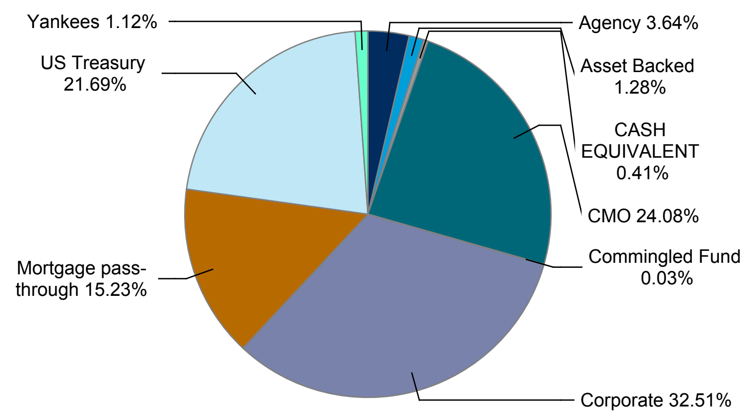
Net Mgr Return



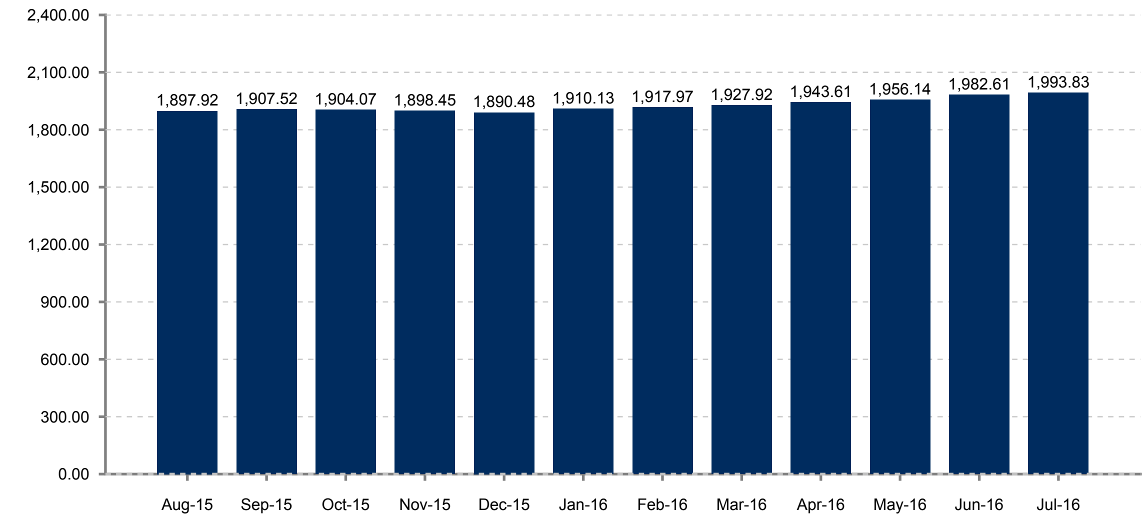
	Current Mth	Prior Mth	1 Year Ago
POOL 205 FIXED INCOME	0.29	1.35	0.42

Asset Allocation

	Ending Market Value
POOL 205 FIXED INCOME	1,993,830,959



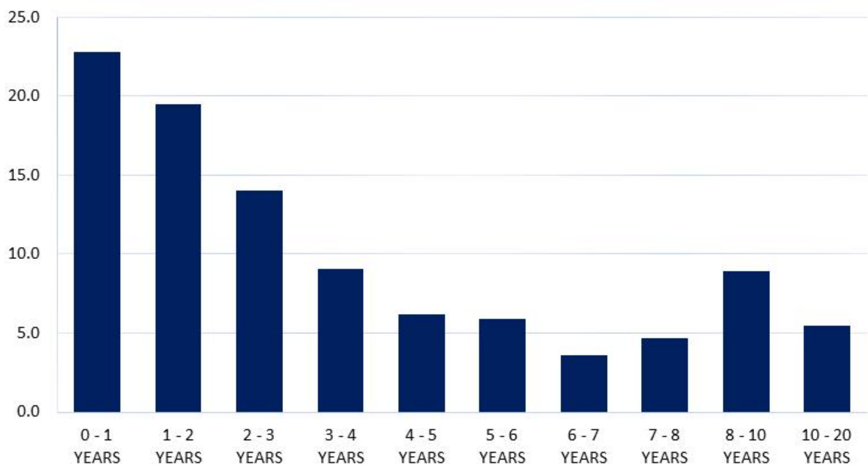
Net Asset Values over Time ($MM)



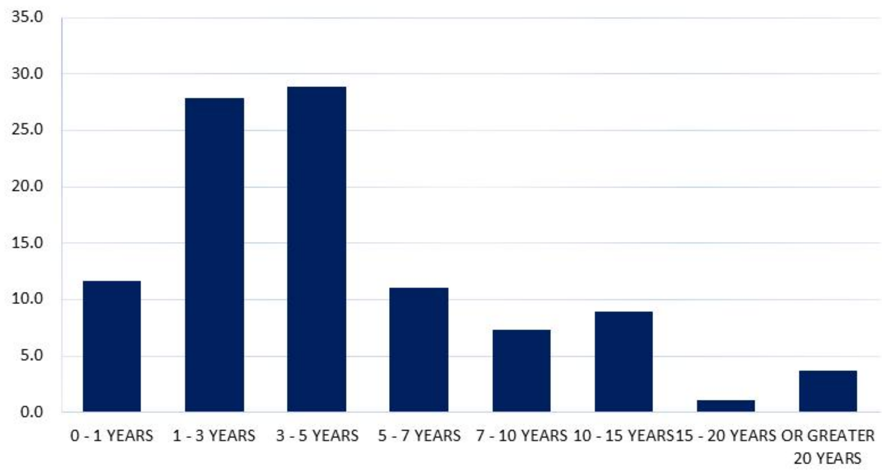
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 205 FIXED INCOME		
US TREASURY N/B	18,726,222	0.94
US TREASURY N/B	18,701,515	0.94
US TREASURY N/B	17,963,829	0.90
US TREASURY N/B	15,907,473	0.80
US TREASURY N/B	15,622,142	0.78
WELLS FARGO + COMPANY	15,369,511	0.77
US TREASURY N/B	15,304,508	0.77
USAA CAPITAL CORP	15,262,667	0.77
US TREASURY N/B	15,252,431	0.76
FIFTH THIRD BANK	15,163,403	0.76

Duration Distribution



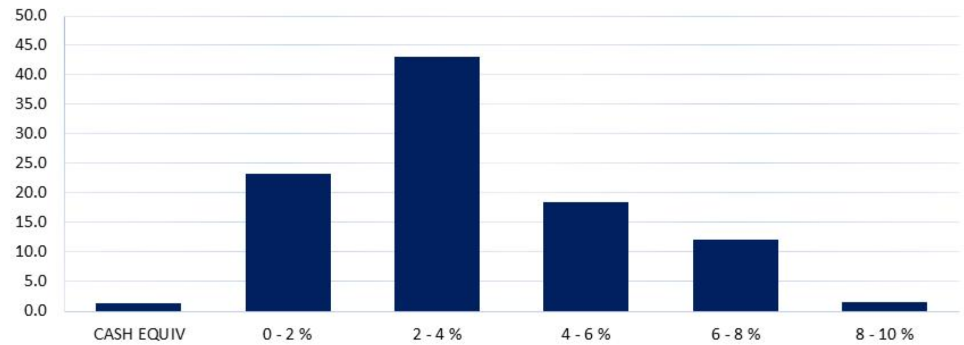
Expected Maturity Distribution



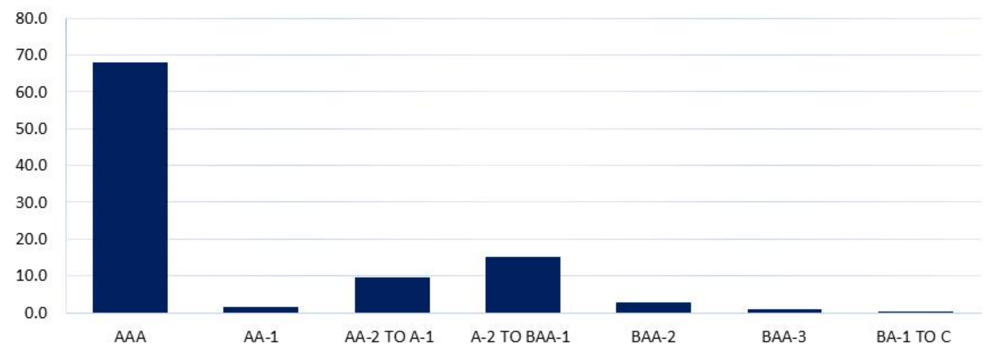
Portfolio Level Characteristics

	POOL 205 FIXED INCOME
Weighted Average Life	5.09
Coupon	3.53
Effective Duration	3.71
Quality Rating (Moody's)	AA-2

Coupon Distribution



Rating Distribution



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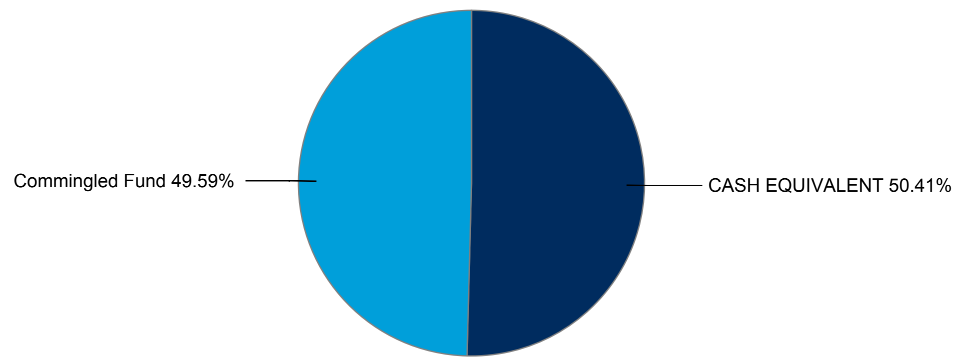
POOL 123 ST

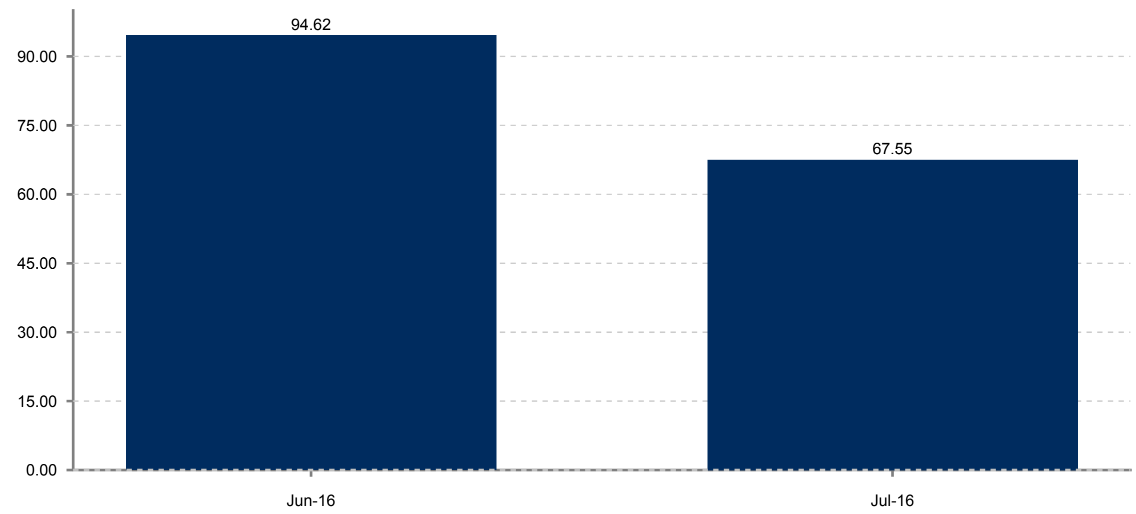
STATE STREET.

Asset Allocation

	Ending Market Value
POOL 123 ST	67,548,663



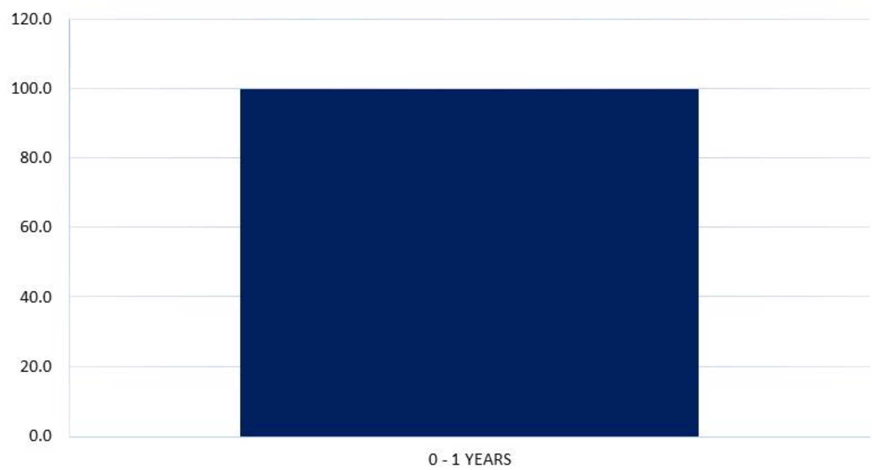
Net Asset Values over Time ($MM)



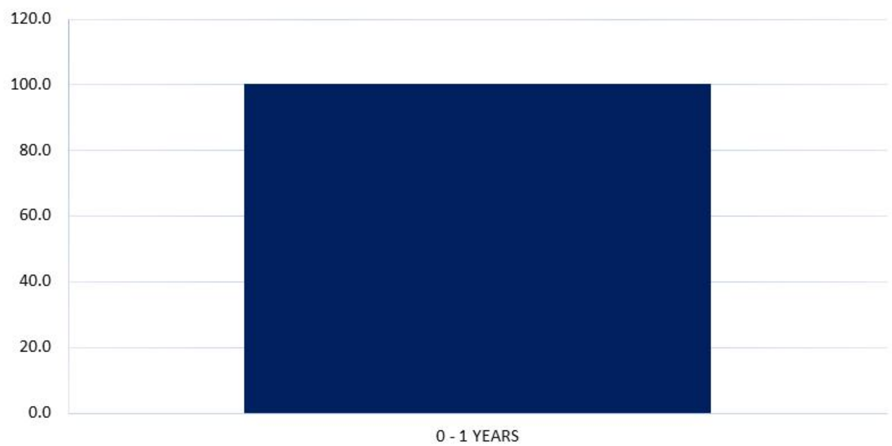
Top 10 Holdings

Security Name	Ending Market Value	% of Portfolio
POOL 123 ST		
LOCAL GOVERNMENT INVEST POOL	33,493,409	49.58
VICTORY RECEIVABLES	9,995,489	14.80
ANGLESEA FDG PLC & ANG	9,990,000	14.79
KELLS FDG LLC	9,981,042	14.78
STATE STR INSTL LIQUID RESVS	4,081,082	6.04

Duration Distribution



Expected Maturity Distribution

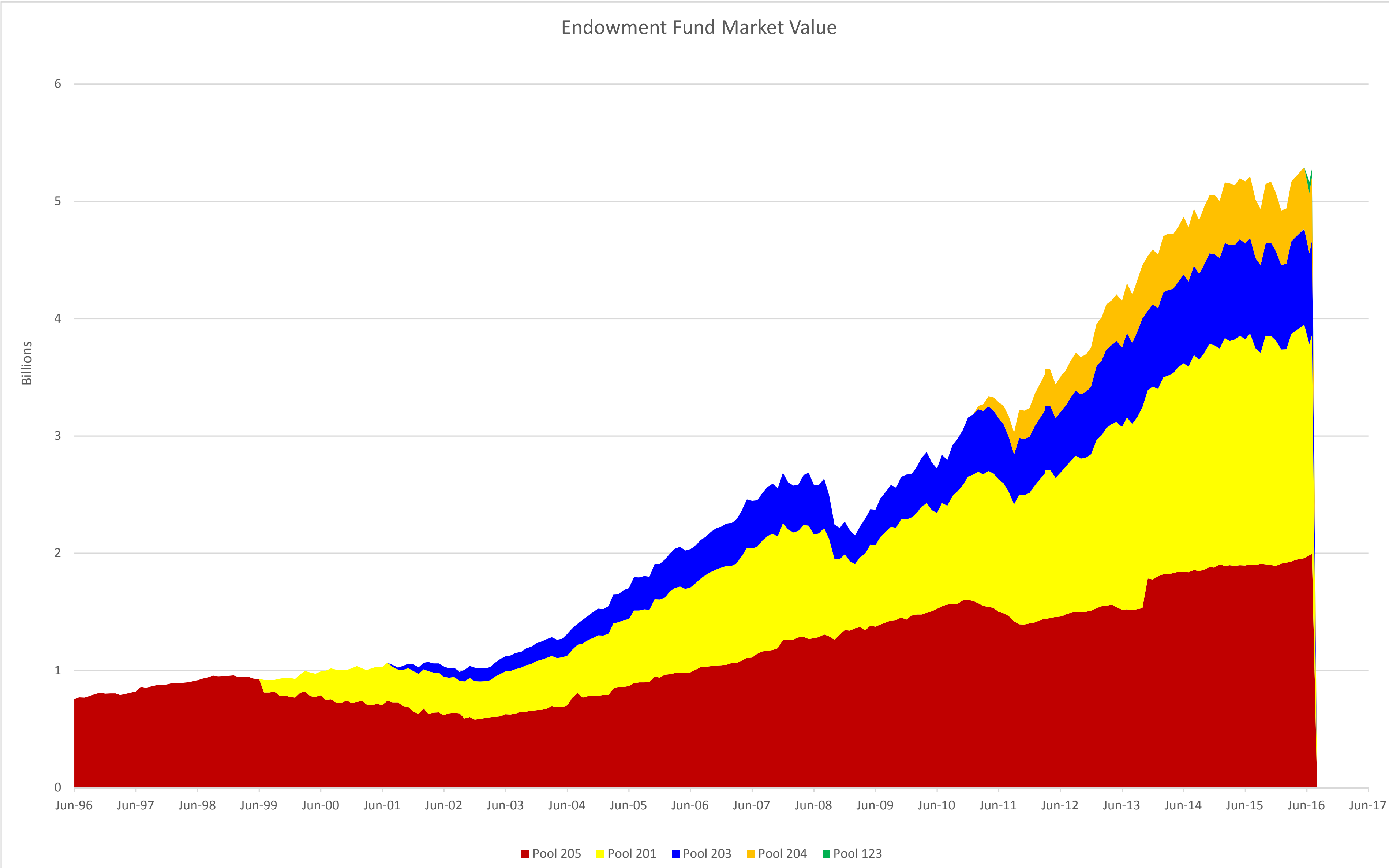


Portfolio Level Characteristics

	POOL 123 ST
Weighted Average Life	0.21
Coupon	0.00
Effective Duration	0.19
Quality Rating (Moody's)	AAA

Coupon Distribution

Rating Distribution


Endowment Fund Market Value
Billions
6
5
4
3
2
1
0
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